



AGRICULTURAL OUTLOOK

August 1981

● Economic Research Service
United States Department of Agriculture

AGRICULTURAL OUTLOOK

August 1981/AO-68



- 1 **In Brief...**
- 2 **Agricultural Economy**
So far this summer, indicators are still pointing to large U.S. crops of feed grains, oilseeds, and cotton. . . Weather has been much more favorable than last summer, when sustained hot, dry weather cut yields.
- 9 **Farm Income Update**
Net farm income for 1981 (after inventory adjustment) is still forecast at \$22 to \$27 billion, although the current assessment is near the lower end of this range. . . The estimate of 1980 net income was lowered from \$21.7 billion to \$19.9 billion, 39 percent below 1979's \$32.7 billion.
- 13 **Recent Publications**
- 14 **World Agriculture and Trade**
This month's article takes a look at the factors behind the U.S. dollars' extraordinary rise on foreign exchange markets so far this year.
- 16 **General Economy**
The outlook calls for little, if any, economic growth during the third quarter. . . However, the 5-percent tax cut effective October 1 could spur some growth in the final 3 months of the year.
- 18 **Food and Marketing**
Food prices have risen much more slowly than anticipated so far this year, largely because meat prices declined from late 1980 instead of rising. . . The forecast now calls for an 8 to 10 percent rise in retail prices this year, down from the previous forecast of 9 to 11 percent.
- 20 **Transportation**
- 22 **The Japanese Market: Sizing Up Future Trade**
A look at the agricultural trade policies of Japan, the United States' largest single-country market for farm exports.
- 24 **Statistical Indicators**

Economics Editor

Lorna Aldrich (202) 447-2317

Managing Editor

Leland Scott (202) 447-8353

Editorial Staff

Shirley Hammond

Patricia Singer

Sherrie Meyer

Statistical Coordinator

Ann Duncan (202) 447-2319

Production Staff

Shawn Irving, Deborah Petrelli, Neva Hayslett.

For more information, contact:

Commodity Highlights—Don Seaborg (202) 447-8376

Farm Income—Gary Lucier and Allen Smith (202) 447-4190

Food Prices—Ralph Parlett (202) 447-6860 and Paul Westcott (202) 447-8801

General Economy—Paul Prentice or Michael Salant (202) 447-2317

Marketing Costs—Dave Harvey (202) 447-6860, or Denis Dunham (202) 447-8801

Transportation—T.Q. Hutchinson (202) 447-8666

World Agriculture and Trade—John Dunmore or Sally Byrne (202) 447-9160.

Contents of this report have been approved by the World Agricultural Outlook Board, and the summary was released August 5, 1981. Materials may be reprinted without permission. *Agricultural Outlook* is published monthly, except for the January/February combined issue.

Annual subscription: \$27.00 U.S., \$33.75 foreign. A 25-percent discount is offered on orders of 100 copies or more to one address. Order from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. Make check payable to Superintendent of Documents. Allow 6 to 8 weeks for delivery.

The next issue of *Agricultural Outlook* (AO-69) is scheduled for release on September 14, 1981. If you do not receive AO-69 by September 26, call the Economics Staff or use the "Sound Off" sheet on inside back cover (be sure to enclose your mailing label).

In Brief . . . News of 1981 Farm Income, the Stronger Dollar, and Retail Food Prices

Crop production prospects are brighter this year than last. A record wheat harvest is nearly completed, and somewhat better growing conditions this summer point to large crops of feed grains, oilseeds, and cotton. Farmers in most other countries are also enjoying more favorable weather. In early July, total foreign grain production was forecast to rise 3 percent, oilseed output 4 percent, and cotton production about 1 percent.

The first detailed farm income estimates for 1980 were recently completed. They show net farm income last year of \$19.9 billion after inventory adjustment, down from the previous estimate of \$21.7 billion and 39 percent below 1979's \$32.7 billion. Before inventory adjustment, net income in 1980 was \$21.8 billion, 20 percent below the \$27.4 billion of 1979. Net farm income for 1981 (after inventory adjustment) is now forecast at \$22 to \$27 billion, with the current assessment near the lower end of the range.

Disappointing livestock receipts have been a major factor depressing net farm income this year. Other factors include: 1) more favorable weather and the outlook for larger 1981 crops here and abroad, 2) continuing high interest rates, and 3) the strong dollar. Larger U.S. crops this year and increased cattle numbers should raise the value of farm inventories, accounting for much of the anticipated increase in 1981 net farm income. Inventory values dropped last year after a large rise in 1979.

The first 6 months of 1981 saw an almost unbroken increase in the dollar's value relative to the German mark, Dutch guilder, Japanese yen, and British pound. This steady strengthening of the dollar has pressured commodity prices downward. High interest rates, the earlier developments in Poland, and unfavorable economic prospects in Western Europe contributed to the dollar's rise. The continuing high U.S. interest rates, the still-improving U.S. balance on current account, restrictive U.S. economic policies, and continued political tension in Europe will sustain the dollar's strength.



The U.S. economy has apparently returned to the stagnation that by and large has characterized it since late 1978. Preliminary estimates show that real Gross National Product (GNP) fell at an annual rate of 1.9 percent in the second quarter—a substantial reversal from the 8.6-percent growth rate achieved in the first quarter. The second-quarter real GNP of \$1,509.1 billion represents growth of only 0.9 percent (compound annual rate) from the first quarter of 1979. The absence of strength in all major sectors of final demand—consumption, investment (including housing), net exports, and government—suggests that growth during the next several months will be modest at best.

The Consumer Price Index for food is expected to rise 8 to 10 percent this year, with current indicators suggesting a 9-percent increase. However, the final outcome will hinge on what happens in coming months to weather, livestock marketings, and the general economy. Declining meat prices in the first part of 1981 from late 1980—reflecting large marketings and weak demand—have helped to moderate food price rises so far this year.

About one-fifth of this year's rise in retail food prices can be attributed to a 5- to 8-percent increase in the farm value of food, most of which is anticipated to come in the second half. In particular, the farm value of meats will rise in the third quarter as hog marketings decline. Over three-fifths of the 1981 food price rise will come from a 10- to 12-percent increase in the farm-to-retail spread.

Storage space should be sufficient for this year's grain harvest because of continuing increases in storage capacity (109 million bushels since 1980) and decreases in carryover grain stocks from 1980's record levels. Based on recent marketing levels and the July crop estimates, only 4 of 15 States selected for close scrutiny (which will account for nearly three-quarters of the total U.S. grain harvest) appear likely to fill more than 75 percent of their available storage capacity.

Japan accounts for about 15 percent of U.S. agricultural exports and is the United States' largest single-country market. Over the past 10 years, Japan has relied on the United States for more than one-third of its total farm imports, with the U.S. share increasing slowly but steadily. In the future, the United States will at least maintain its share of the Japanese market. U.S. agricultural shipments to Japan in 1980 totaled \$6.1 billion. They could approach \$7 billion by the end of 1981.



Agricultural Economy

Crop production prospects are brighter this year than last. A record wheat harvest is nearly completed, and somewhat better growing conditions this summer point to large crops of feed grains, oilseeds, and cotton. Farmers in most other countries are also enjoying more favorable weather. In early July, total foreign grain production was forecast to rise 3 percent, oilseed output 4 percent, and cotton production about 1 percent.

Larger farm output will be accompanied by only a modest increase in the demand for food and fiber. Along with continued world population growth, the general shift toward more animal protein in diets will raise the demand for U.S. agricultural products. However, lackluster economic growth in most countries is tempering the export outlook.

While early estimates indicate that 1981 U.S. corn and soybean crops will be up 7 and 10 percent, respectively, it will be well into the fall before actual output is known for certain. Corn and soybean crops in the Corn Belt got off to a shaky start as too much rain fell in the eastern part and not enough in the western part. However, weather conditions generally improved during July.

Livestock Producers Awaiting Firmer News on 1981 Crops

Uncertainty about crop prospects and generally weak consumer demand suggest that livestock producers will keep their production plans tentative. Recent gains in cattle, hog, and broiler prices have not led to optimism in the livestock sector. Cattle feeding activity likely will be moderated unless feed costs ease and interest rates decline—even though feeder cattle are now priced lower than fed cattle. Hog producers will continue to sharply reduce output until returns and production costs are more certain, but moderate increases in broiler output will continue. In the fourth quarter, total meat production will be a little smaller than last fall. This summer's production of red meats and poultry is running about 1 percent larger than a year earlier.

Weather conditions have been somewhat better than last season in most wheat-growing areas, and farmers will harvest 14 percent more acres. As a result, this year's wheat crop is estimated at about 2.8 billion bushels, 19 percent larger than last year's record. Wheat use will rise, with both exports and domestic use gaining. The large supply and resultant weakness in wheat prices is encouraging use in livestock and poultry feeding, especially in the southern States.

Outlook for Foreign Crops and Trade

Crop production in other major exporting countries parallels prospects in the United States, with sharper production increases likely for wheat than for feed grains. Australia and Canada may have much larger wheat crops, but only a very small rise is anticipated for the USSR. However, the 1981 Soviet coarse grain crop is likely to exceed the poor 1980 harvest.

Larger crop supplies in the United States will help bolster 1981/82 exports. While many uncertainties remain, increasing demand for wheat from the USSR and India—along with continued high demand from China—will likely expand U.S. shipments despite the dollar's strength in international markets. Soybean exports will also exceed this year's reduced volume. However, with large availabilities of grains in the Southern Hemisphere, U.S. feed grain exports are expected to about match this season's level. (*Don Seaborg (202) 447-8376*)

LIVESTOCK HIGHLIGHTS

Cattle

The July 1 inventory of U.S. cattle and calves totaled 125 million head, up 2 percent—nearly 2 million head—from a year ago. The beef cow inventory rose 2 percent, while the number of heifers being saved for beef herd expansion increased 7 percent. These figures point to continued expansion of beef herds.

The 1981 calf crop is expected to rise only 1 percent this year. The number of other heifers (not being saved for herd replacement) and steers weighing over 500 pounds decreased 2 and 1 percent, respectively, from last July 1. Calves outside feedlots numbered 2 percent more than a year ago, while the yearling supply declined 3 percent. These figures reflect only a modest 1-percent increase in the feeder cattle supply, but the numbers are still adequate to allow for increased feedlot placements if harvest prospects improve.

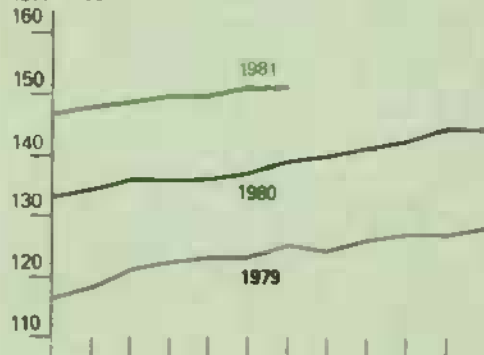
The July 1 inventory of cattle on feed in the 23 major cattle-feeding States declined 1 percent from a year ago, while April-June placements increased 6 percent and marketings declined 1 percent. Seven-State placement rates declined 9 percent in June, in contrast with April's record rise of 39 percent; placements rose only 8 percent for the entire second quarter.

The number of cattle on feed on July 1 was the smallest since 1975; however, the decline reflects a sharp drop in the lighter weight categories. Larger numbers of cattle in the heavier weight groups indicate that fed cattle marketings will remain large this summer. Producers have reported plans to market 7 percent more fed cattle than last summer; however, the larger marketings should not become burdensome if feedlots remain current with their marketings, holding down slaughter weights. Reduced pork production will further moderate the impact. However, if feedlots do not remain current and weights begin to rise, prices for Choice fed steers could decline to the low- to mid-\$60's.

Prime Indicators of the Agricultural Economy

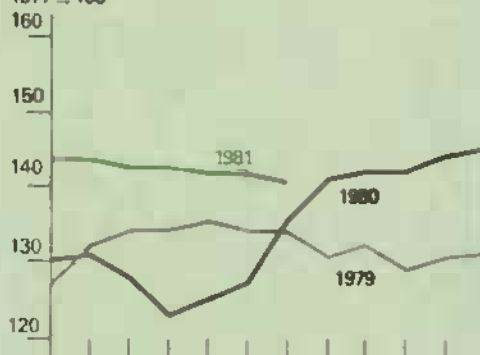
Prices Paid by Farmers¹

1977 = 100



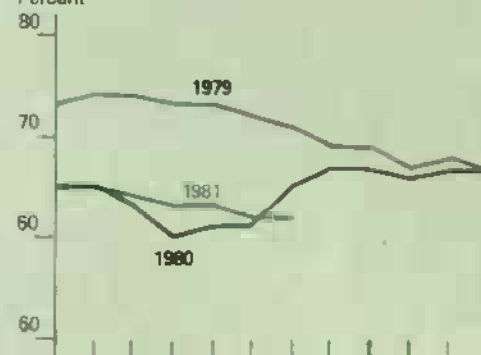
Prices Received by Farmers²

1977 = 100

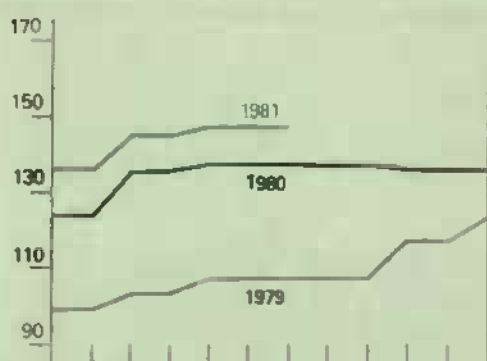


Ratio of Prices Received to Prices Paid

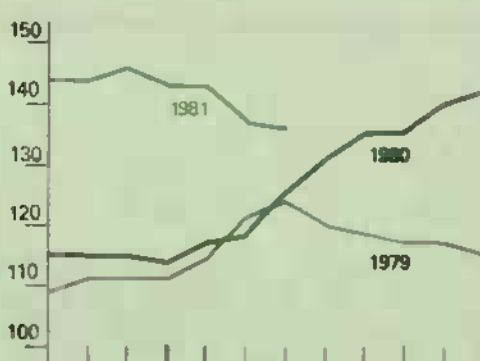
Percent



Fertilizer Prices

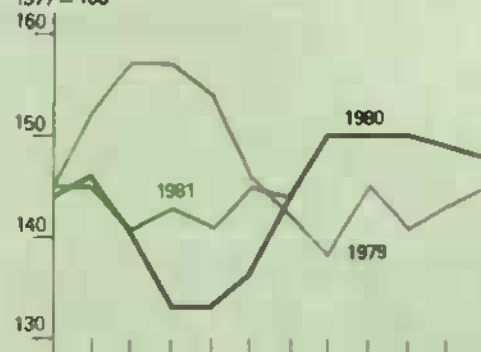


All Crops

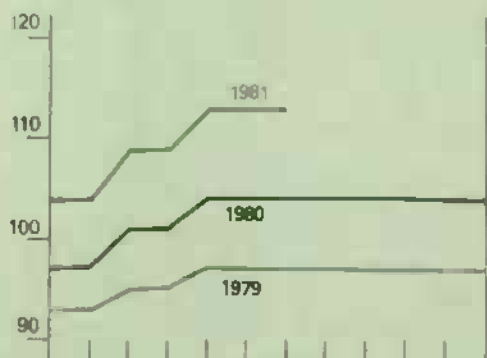


Livestock and Products

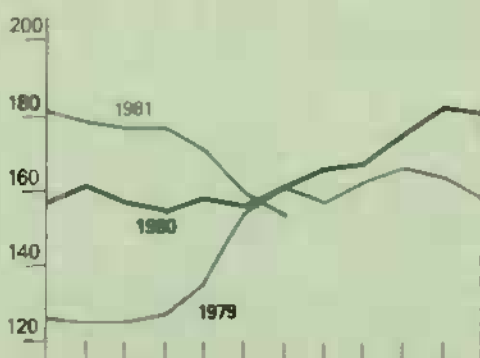
1977 = 100



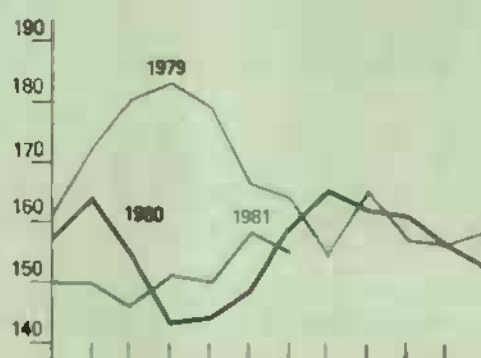
Agricultural Chemicals



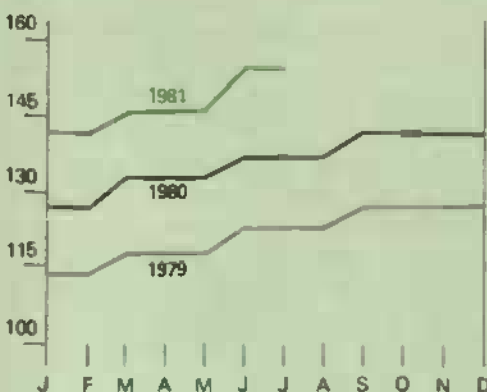
Food Grains



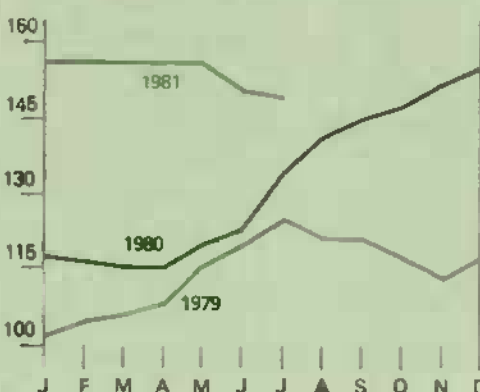
Meat Animals



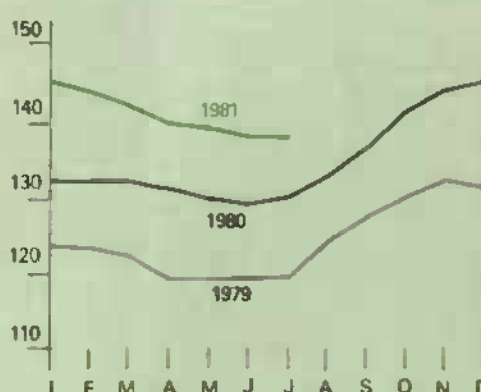
Tractors and Self-Propelled Machinery



Feed Grains and Hay



Dairy Products

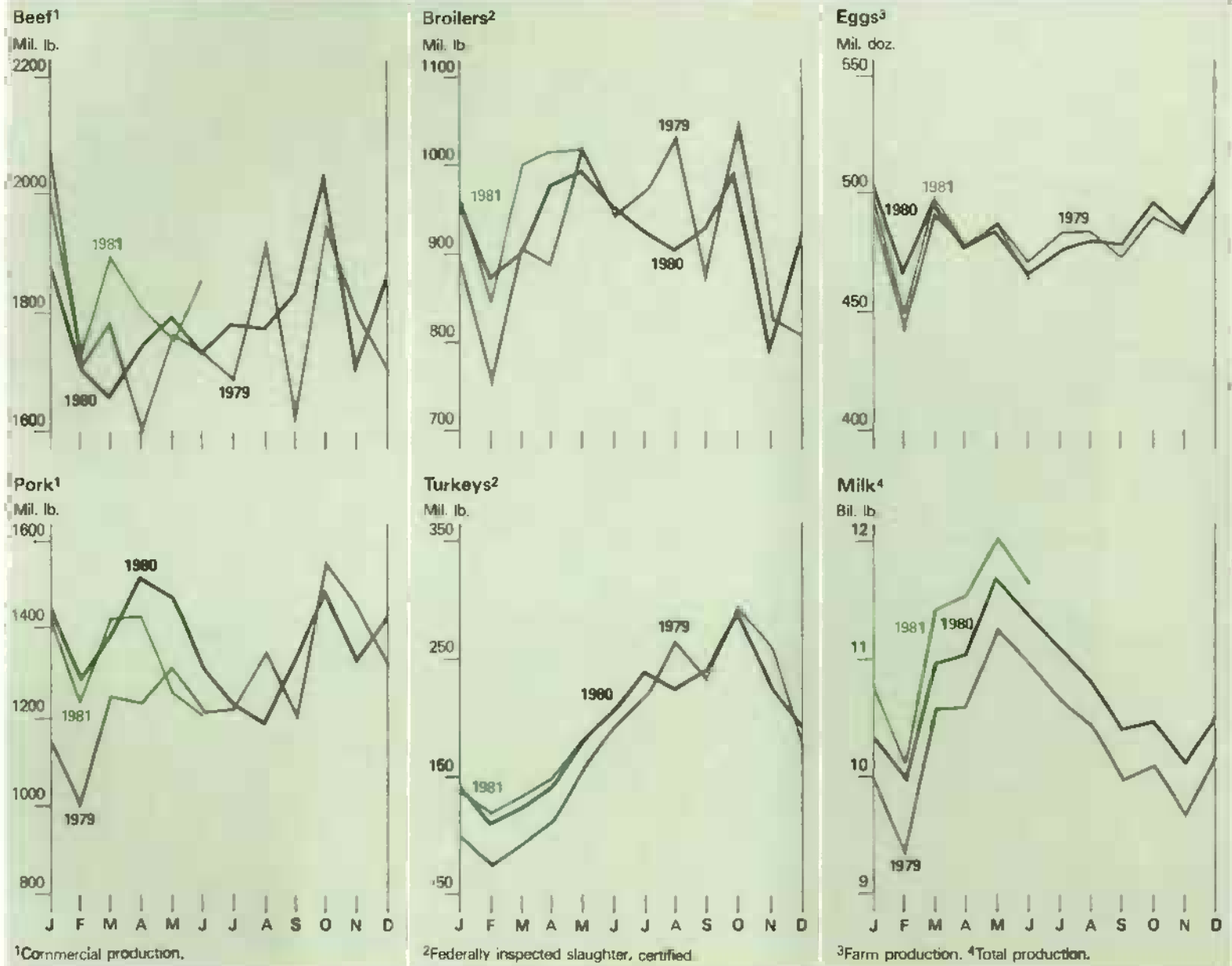


¹For commodities and services, interest, taxes, and wages.

All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1977 = 100.

²For all farm products.

Supplies Update: Livestock and Products



Cattle prices have declined since early summer because of larger meat supplies and a sluggish economy. Higher live-animal prices since early spring are still being passed on to consumers, who are hesitant to pay the moderately higher prices. This hesitancy, along with larger meat supplies and a continued sluggish economy, will likely keep downward pressure on livestock prices this summer and into the fall.

Increased fed cattle marketings beginning late this summer and continued large nonfed slaughter will push production above a year earlier in the third quarter. Choice fed steer prices may average \$66 to \$69 per cwt. this summer. Reduced fed cattle marketing this fall could hold beef production near last fall's level, with fed cattle prices averaging near \$67 to \$71. Prices for yearling feeder cattle are likely to remain near to or below those for fed cattle until feed prices or interest rates decline. (Ron Gustafson (202) 447-8636)

Hogs

Commercial pork production is declining as expected because of seasonal factors and the smaller market hog inventory indicated in June. In the second quarter, commercial hog slaughter was about 10 percent below a year earlier. Barrow and gilt prices averaged \$43.63 per cwt., compared with \$31.18 last year. Although hog slaughter has been smaller than last year, the relatively large commercial pork production, much higher frozen pork stocks, and abundant supplies of beef and broilers kept barrow and gilt prices near \$40 per cwt. until mid-May. Then prices rose about \$12 per cwt. from mid-May to early July.

In June, commercial slaughter was 9 percent below a year earlier and 5 percent below May. In response to this decline, barrow and gilt prices (seven-market average) rose \$7 per cwt. from the previous month, averaging \$49.04 per cwt.

Commercial pork production for the summer quarter will total 6 to 8 percent below last year's 3,756 million lbs. Last summer's hog slaughter was distorted by above-normal temperatures that reduced daily weight gains. Hog prices for the quarter are expected to average \$48 to \$51 per cwt.

Commercial pork production in the fourth quarter may decline 8 to 10 percent from a year earlier, and prices are forecast to average \$48 to \$52 per cwt. If producers follow their June 1 farrowing intentions, output may continue to decline well into 1982. (Leland Southard (202) 447-8636)

Dairy

June milk production was 2.7 percent above a year ago. This was the 26th straight year-to-year gain, although the smallest since December 1979. While milk cow numbers during April-June remained about 1 percent above a year ago, the gain in output per cow slowed from a 41-pound increase in April to 30 in May and 21 in June. This sharp abatement in the rate of gain in output per cow is partly due to the current milk-feed price relationship.

Prices paid to dairy farmers have declined since January, reflecting large supplies and the seasonal decline in fat content. From January to July, the all-milk price was down 70 cents per cwt, but still 80 cents (6 percent) above a year ago. Meanwhile, the price of 16-percent protein dairy feed declined \$11 per ton (\$5 cents per cwt.) since January but was \$22 higher than last June. Thus, the milk-feed price ratio declined from 1.47 in July 1980 to 1.40 this year. With this ratio expected to improve only slightly during the second half, concentrates fed and gains in output per cow will likely continue limited.

Milk cows on July 1 numbered 10.892 million, up 23,000 from January 1, and 88,000 from a year ago. Milk cow replacements increased 260,000 head from a year ago, totaling 4.638 million. Thus, the ratio of replacements per 100 milk cows was 42.6, the largest on record. With replacements ample, the dairy herd could expand; however, because milk prices are likely to see only some seasonal improvement this fall and because of uncertainty about future price-support levels, culling of marginal cows could be large enough to hold the dairy herd near its present level. (Cliff Carman (202) 447-8636)

Broilers

Feed prices have moderated slightly in recent months, so if broiler prices continue to strengthen, producers may recoup some of their earlier losses during the rest of the year. In the second quarter, broiler prices (9-city weighted average) averaged 46.7 cents a pound. Bolstered by declining red meat supplies, broiler prices are expected to average 49 to 51 cents a pound this quarter and 47 to 51 cents the next.

Broiler meat output will continue to increase this year. April-June output was 5 percent above the 2.9 billion pounds of a year earlier. Production is expected to decline slightly from the second-quarter level during July-September, which would be 6 to 8 percent above last year's drought-dampened output. Output will likely decline seasonally in the fourth quarter, but stay about 4 percent above last year. (Allen Baker (202) 447-8636)

Turkeys

During April-June, turkey production increased 6 percent from a year ago. The cost-price squeeze of the first 4 months of 1981 slowed hatchery activity, but poults hatched rose 5 percent in May. Production during the second half could exceed 1980 because poults hatched continued above a year ago in June. Increased production would require that loss of turkey poults return to levels of prior years after increasing last year and that producers feed turkeys to heavier weights than last year.

Wholesale prices averaged 64 cents a pound in the second quarter, up from 54 cents in 1980. Cold storage stocks of frozen turkey are increasing earlier than normal this year, which may temper prices later in the year. In the second half of 1981, declining red meat supplies and an improved year-end economy are expected to push average wholesale prices of young hen turkeys in New York to near 71 cents a pound—about the same as a year earlier. (Allen Baker (202) 447-8636)

Eggs

Egg production is expected to about equal last year during the third and fourth quarters. In July, egg prices in New York averaged about 72 cents a dozen, up from June and 4 cents above a year ago. Prices averaged about 69 cents for the entire second quarter. In the second half, prices usually strengthen from their second-quarter lows. Egg prices during July-December may average 73 to 75 cents a dozen, near last year's prices. (Allen Baker (202) 447-8636)

CROP HIGHLIGHTS

Wheat

The 1981/82 U.S. wheat outlook is dominated by another record crop. The July 1 forecast placed 1981's production at 2.81 billion bushels, almost a fifth larger than last year's record. This increase is mainly the result of the largest area ever planted to wheat—88.8 million acres—plus a sharp increase in spring wheat yields from last year's drought-reduced levels.

A mid-May freeze affected the Hard Red Winter harvest, yet the crop will be only 7 percent below 1980's record. Higher yields and a 50-percent jump in Soft Red Winter acreage will produce about 260 million bushels more than 1980's 428 million, the previous high. Excellent growing conditions will produce another record White wheat crop. For Hard Red Spring and Durum wheat, prospects for record yields and a return to more normal harvested acreage after last season's drought are likely to result in the largest crops ever.

Led by larger exports and an expected four-fold increase in feed use, total 1981/82 U.S. wheat disappearance could be more than 15 percent above last year's record 2.3 billion bushels; exports could be a record 1.725 billion bushels. But the big crop will likely raise carryover stocks about 150 million bushels from a year earlier. Farm prices for 1981/82 are forecast to range from \$3.70 to \$4.10 per bushel, perhaps averaging below last year's \$3.96. *(Allen Schienbein (202) 447-8776)*

Feed Grains

As of July 1, U.S. corn production in 1981 was forecast at 7.1 billion bushels, up 7 percent from last year but still a tenth below the record 1979 crop. This year's yield is estimated at 95.9 bushels per acre, compared with 91.0 bushels in 1980 and 109.7 in 1979. The U.S. corn supply for 1981/82 is forecast at 7.98 billion bushels, 3 percent below last season, while total feed grain supplies of 249 million metric tons would be largely unchanged from a year earlier.

Because of tighter supplies and higher expected prices, the July estimate of feed use for 1981/82 was lowered by 150 million bushels to 3,950. The estimate for the current season—now 4,150—was reduced by 50 million bushels because of higher corn price prospects and likely increased feeding of wheat. Exports of corn in 1981/82 will likely remain near this season's estimated 2.5 billion bushels.

Next season, the U.S. corn carryover may fall to around 700 million bushels, more than 150 million below the expected 1980/81 level. The projected feed grain carryover of 29 million tons would be unchanged from this season's level. Corn prices may average \$3.00 to \$3.50 a bushel, compared with \$3.15 estimated for 1980/81. *(Bob Green (202) 447-8444)*

Soybeans

Lower soybean prices relative to feed grains encouraged soybean producers to trim 1981 plantings. As a result, soybean acreage is currently estimated at 68.7 million, down 2 percent from last year. About 15 percent of the 1981 acreage will be planted following the harvest of another crop, primarily winter wheat. If yields are near trend, soybean production for 1981/82 will be around 2 billion bushels—10 percent above last season, when drought cut harvested acreage and yields.

Some moderate increases in domestic use and exports are forecast for soybeans and products. Domestic soybean crushings are forecast to rise about 4 percent, fueled by expectations of stronger domestic meal demand, notably from the poultry industry. The rise in crush, combined with a high soybean oil carryover, will likely lead to a continued buildup of oil supplies. U.S. exports of soybeans and oil should recover from this season's declines, while meal exports are expected to be unchanged.

Given supply and demand prospects for 1981/82, the season average soybean price received by farmers is likely to range from \$6.50 to \$8.50 a bushel. Season average prices for soybean oil and meal should be 20 to 25 cents a pound and \$200 to \$240 a short ton, respectively. *(Leslie Herren (202) 447-8776)*

Cotton

Based on prospects for yields near or slightly above trend, U.S. cotton production for 1981/82 is projected to increase significantly over last year to 12.3 to 15.3 million bales. Disappearance is likely to increase less than anticipated production, so ending stocks on August 1, 1982, could rise to 3.6 million bales from the 2.5 million estimated for this August.

Cotton farm prices have averaged around 76 cents a pound so far this season, more than a fifth above 1979/80. Spot prices have declined in recent months because of high interest rates (which have weakened inventory demand) and favorable growing conditions for the 1981 crop. The August crop report (released after AO-68 went to press) carries the first forecast of 1981 cotton production based on in-the-field counts. *(Sam Evans (202) 447-8444)*

Rice

An estimated 15-percent increase in harvested acreage and slightly higher yields will likely produce a record 1981 rice crop of 171 million cwt. Although ending stocks for 1980/81 (August-July) likely were down from last year, the large harvest will push total supplies for next season to the highest level ever—nearly 190 million cwt. However, improved growing conditions in several importing countries, including South Korea, have reduced U.S. export prospects for the coming year. As a result, ending stocks for 1981/82 could be double this season's, with prices sharply lower. *(Sam Evans (202) 447-8444)*

Tobacco

Acreage for harvest is up 3 percent from last year, with larger burley acreage offsetting reduced flue-cured plantings. The projected crop, including the July estimate for flue-cured, totals 1,917 million pounds—8 percent above last season. Besides the gain in acreage, yields are projected above last year, when dry weather held down production.

Irrigation plus timely mid-season rains have brought the crop along faster than last year. As a result, auctions began on July 14 in Georgia and Florida, a week ahead of last year. With improved quality, early markets have displayed strong demand. For the first 3 weeks, prices averaged \$1.60 a pound, a fourth above a year ago. *(Robert H. Miller (202) 447-8776)*

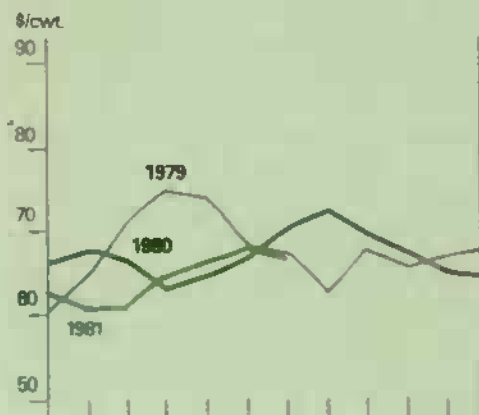
Peanuts

Acreage for harvest is up 10 percent from 1980's drought-reduced area. With very good growing conditions prevailing, the crop is projected at 3.7 billion pounds.

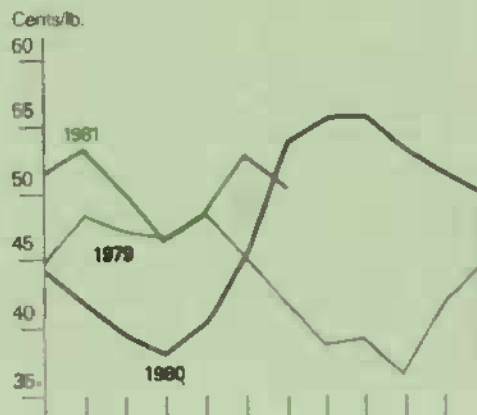
In early June, the Customs Service reported that regular and emergency import quotas were filled. Despite appeals by firms to allow additional imports, USDA has opposed any further relaxation of the import quota because of the impact on price-support costs. This past season, exports fell about one-half because of the short 1980 crop, and domestic edible use fell about 8 percent. A more normal crop this year will return disappearance toward trend levels. *(Robert H. Miller (202) 447-8776)*

Commodity Market Prices: Monthly Update

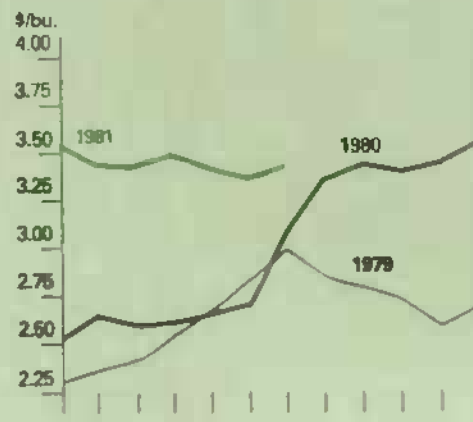
Choice Steers¹



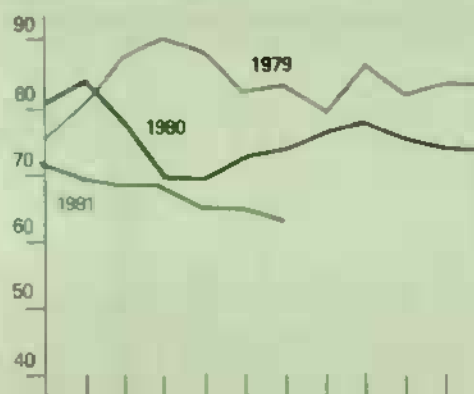
Broilers⁴



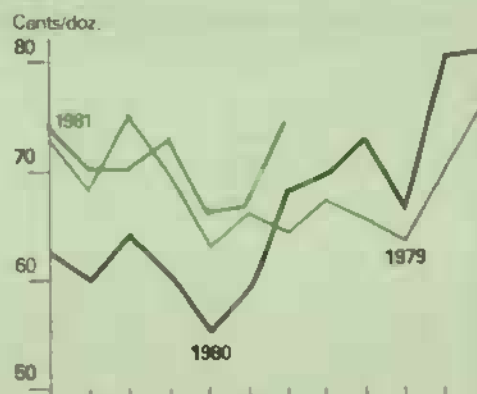
Corn⁶



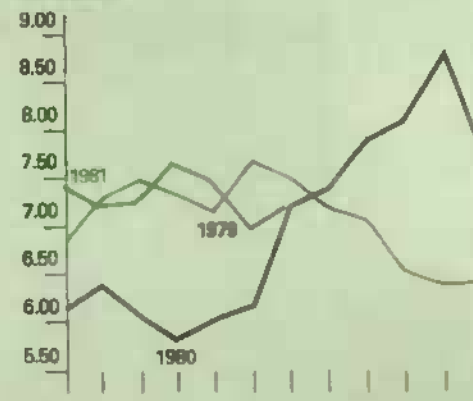
Choice Feeder Cattle²



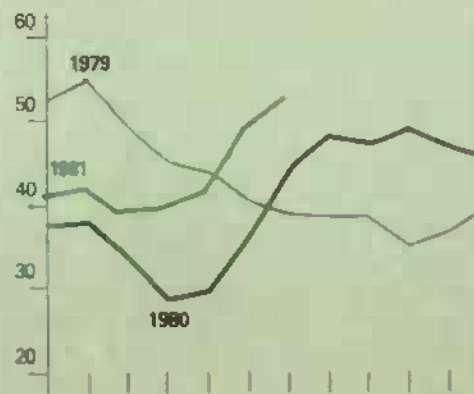
Eggs⁵



Soybeans⁷



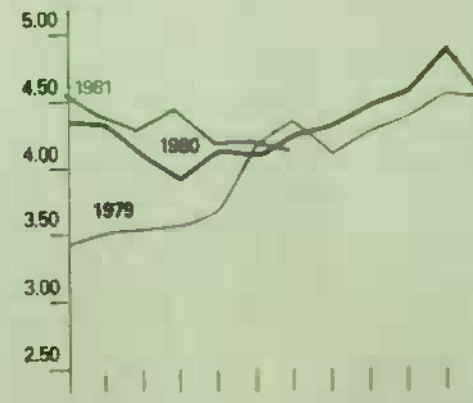
Barrows and Gilts³



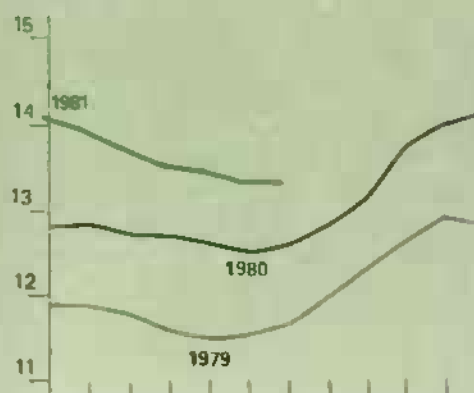
Rice (Rough)



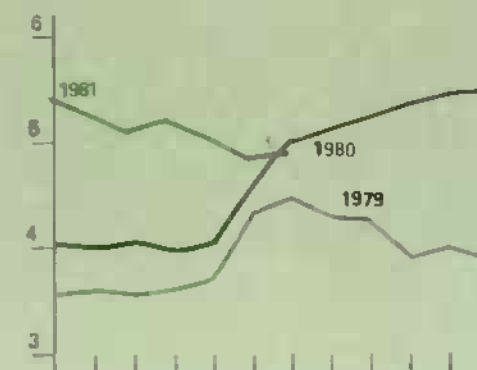
Wheat⁸



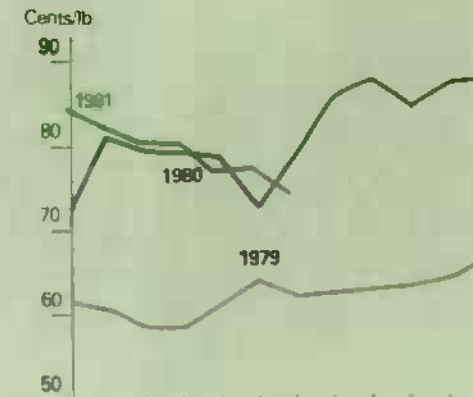
All Milk



Sorghum Grain



Cotton⁹



Prices for most recent month are mid-month prices.
¹Omaha. ²600-700 lbs. Kansas City. ³7 markets.

⁴Wholesale, New York. ⁵Grade A Large, New York.

⁶No. 2 Yellow, Chicago. ⁷No. 1 Yellow, Chicago.
⁸No. 1 HRW, Kansas City.
⁹Average spot market, SLM. 1-16*

Vegetables

The area planted to 14 fresh-market vegetables since April 1 in major producing States is estimated at 383,700 acres, about the same as a year ago. The melon acreage of 156,000 is 3 percent larger. Starting from the high plateau triggered by the January freeze in Florida, prices for fresh vegetables this summer will decline seasonally in August but remain above year-earlier levels. With a larger crop, however, melon prices will be below last year.

During January-June, production of 14 fresh-market vegetables in major producing States was an estimated 80.4 million cwt., compared with 79.5 million a year earlier. Except for snap beans, celery, sweet corn, cucumbers, eggplant, and tomatoes, this year's winter and spring crops were larger than last year. Melon production, at 17.9 million cwt., was 19 percent above a year ago.

Despite last year's smaller production of processed vegetables—especially tomatoes, the most important canned vegetable—and generally favorable prices, growers and processors this year plan a 4-percent reduction in acreage contracted for major processing vegetables. Acreage is down for all crops except sweet corn, which is up 5 percent. Acreage cutbacks range from 25 percent for winter spinach to 2 percent for tomatoes.

If yields are average, the total tonnage of contracted processing vegetables will be about 10 percent smaller than a year ago. On top of a smaller carryover, this will mean reduced supplies and upward pressure on prices. Increased processing and marketing costs will force prices of most canned vegetables moderately above last year's levels.

Growers of fall potatoes are expected to harvest 1.04 million acres in 1981, up 6 percent from last year's small acreage. If average yields are obtained, a crop of 287.1 million cwt. will be realized—9 percent larger than last year. Farm prices for potatoes will decline moderately from the record highs farmers received for the 1980 crop.

Plantings of sweetpotatoes this year are estimated at 113,100 acres, up 5 percent from 1980. Despite this increase, the 1981 acreage will still be the third smallest on record. With average yields, the 1981 sweetpotato crop would total about 12.8 million cwt.—17 percent above 1980 but 4 percent below 1979. Grower prices will decline with the new crop harvest, and prices this fall will average moderately below last year.

Because of strong Mexican demand and favorable prices for all dry beans this year, growers have expanded their acreage of dry beans to 2.2 million acres—19 percent above 1980. From September 1980 through June 1981, exports of all dry beans (excluding seed) jumped 122 percent to 14.2 million cwt. In June, U.S. grower prices for dry edible beans averaged \$36.50 per cwt., 55 percent higher than a year ago. With continued favorable export prospects, prices should remain strong next season. However, prices could plummet in 1982 if Mexico reaches its goal of self-sufficiency in dry beans by then. (Jules Powell (202) 447-7290)

Fruit

On July 1, total 1981 noncitrus fruit production was estimated 12 percent below last year's large crop. Smaller output was forecast for most fruit, although record crops of nectarines and plums are possible.

The 1981 U.S. apple crop is forecast at 8.06 billion pounds (3.65 million metric tons), 9 percent below last year's record. Decreases from 1980 in the Great Lake States and along the eastern seaboard offset increases in the remaining major States. Washington, the leading apple-producing State, is expecting a record crop of 3.05 billion pounds—1 percent greater than last year's record.

The California grape crop is estimated at 4.17 million tons (3.78 million metric tons), down 19 percent from the 1980 record. Smaller production is forecast for all three types (table, wine, and raisin grapes).

Production of peaches and pears will be 6 and 5 percent, respectively, below a year ago. This year's crops of nectarines and plums could rise 4 and 13 percent, respectively, from last year.

In late July, shipping-point prices for most summer fruit were below early-season levels, in a mixed pattern compared with a year earlier. With smaller crops in prospect, prices are likely to remain high this summer. Contract prices negotiated for processing are likely to be near to only slightly higher than last year because of the larger stocks of most canned fruit. (Ben Huang (202) 447-7290)

Sugar

Based on surveys conducted about June 1, the 1981/82 sugarcane area harvested for sugar and seed is estimated up 1-1/2 percent from last year to 743,600 acres. Louisiana's harvested acreage may rise 2.4 percent. The area planted to sugarbeets is up 2 percent to 1.26 million acres, with gains of 15.4 percent in California and 6.2 percent in Idaho. Planted acreage was reduced about 15 percent in Colorado to avoid exceeding processing capacity. The sugarbeet area for harvest is estimated at 1.22 million acres, up about 2.7 percent. U.S. beet and cane sugar output may reach 5.9 million short tons (raw value), up about 1-1/2 percent from 1980/81.

The world (International Sugar Agreement) price for raw sugar averaged about 16-1/2 cents a pound in June and moved above 17 cents by mid-July. Last year's July average was 27.7 cents a pound. World sugar production can be expected to recover from last season's short crop of 86.1 million tons; however, with consumption also likely to rise, little rebuilding of world sugar stocks is foreseen.

Wholesale prices for refined cane sugar rose about 2 cents in June after 7 straight months of decline. Prices averaged 30 cents a pound in the Northeast and 28 cents in the Chicago-West market, about 13 to 14 cents below June 1980. The average U.S. retail price for granulated sugar continued to decline to 36.9 cents a pound in June, down 2-1/2 cents from May. Retail prices could rise later this year, should world and wholesale sugar prices continue to strengthen.

Through the first week of July, deliveries of sugar for U.S. consumption were about 420,000 short tons below the same period in 1980. U.S. sugar consumption in 1981 could decline more than 300,000 tons from last year's 10.2 million. Stocks of sugar (raw and refined) through May ran 3.4 percent less than a year ago. (Robert Barry (202) 447-7290)



Farm Income Update

1981 INCOME PROSPECTS

Cash receipts and net farm income for 1981 will not meet the projections made last fall. Factors moderating this year's income outlook include: 1) disappointing livestock receipts; 2) more favorable weather and the outlook for larger 1981 crops here and abroad; 3) continuing high interest rates; and 4) the strengthening dollar.

Total cash receipts in 1981 are anticipated to be 7 to 9 percent above 1980. Receipts may rise 5 to 7 percent for livestock and 8 to 10 percent for crops. Production expenses could climb 9 to 11 percent, with the current assessment near the lower end of the range given expectations of easing inflation during the second half.

For agriculture, the economic outlook implies little growth in consumer demand, adding to the problems of the livestock sector this year. While demand for meat has been relatively weak, total meat production has continued large, preventing livestock price increases. However, stronger livestock prices are forecast for the third quarter as total red meat supplies fall—mainly reflecting lower pork production.

Farm Income, 1977-1981

	1977r	1978r	1979r	1980	1981f
	\$ Billion				
Cash Receipts:					
Crops	48.7	53.7	63.4	69.0	73-77
Livestock	47.6	59.2	68.6	67.4	70-74
Total	96.3	112.9	131.9	136.4	145-149
Other Cash Income¹	1.6	1.7	2.1	2.2	2.3-2.7
Direct Government Payments	1.8	3.0	1.4	1.3	1.0-1.6
Total Cash Income	99.7	117.6	135.4	139.9	148-163
Nonmoney Income²	8.0	9.3	11.1	12.6	13-15
Total Farm Income	107.7	126.9	146.5	152.5	161-168
Production Expenses:					
Total Cash Expenses	74.4	83.2	98.9	108.2	117-119
Non-cash Expenses ³	15.9	17.9	20.3	22.5	24-26
Total Production Expenses	90.3	101.1	119.2	130.7	141-145
Net Cash Income⁴	25.3	34.4	36.5	31.7	30-34
Net Farm Income before Inventory Adjustment⁵	17.4	25.9	27.4	21.9	19-23
Value of Inventory Change	1.0	0.6	5.3	-2.0	1.0-4.0
Net Farm Income after Inventory Adjustment:					
Current Dollars	18.4	26.5	32.7	19.9	22-27
Deflated (1972) Dollars ⁶	13.2	17.8	20.1	11.1	11-14

r = revised; f = forecast.

¹ Income from recreation, machine hire, and custom work. ² Imputed rental value of operator dwellings and value of farm products consumed on the farm. ³ Includes perquisites to hired labor and depreciation of farm capital. ⁴ Total cash income less total cash expenses. Represents cash income available for capital expenditures and operator income. ⁵ Total farm income less total production expenses. ⁶ Deflated by the Personal Consumption Expenditures implicit deflator.

Net farm income in 1981, held back by disappointing livestock receipts, is expected to improve modestly from 1980's low level. After inventory adjustment, it is forecast to range from \$22 to \$27 billion, compared with \$19.9 billion last year. Much of this increase is due to an expected rise in the value of farm inventories, which comes on the heels of a large drop in 1980 and a large increase the year before. In recent years, volatility of the inventory-change statistic has caused large fluctuations in the net income figure.

Net income before inventory change for 1981 is currently forecast to range from \$19 to \$23 billion, with net cash income forecast at \$30 to \$34 billion. These forecasts reflect the 1980 farm income estimates based on survey input data, rather than the tentative 1980 forecasts used until now. The crop production estimates used in calculating 1981 farm income are as of the July crop report.

Cash Receipts:

Larger Gain Forecast for Crops

Receipts for rice and sorghum are expected to grow the fastest in 1981, with strong production and favorable prices combining to push them up about a fourth. Wheat and tobacco receipts could rise a tenth or more, while receipts for corn, hay, soybeans, cotton, fruits and nuts, and vegetables could rise somewhat less than a tenth.

Livestock receipts will rise more slowly this year than crop receipts. Meat production remains large, and there has been some consumer resistance to higher retail prices. Broiler receipts are expected to rise more than a tenth as both prices and production are up. Lower pork production than last

year will continue to keep pork prices and hog receipts strong. Receipts from hogs, eggs, and milk are expected to rise about a tenth from 1980. Cattle receipts, however, are not likely to rise much from last year because increased production, higher feed grain prices, and weak consumer demand have kept prices below year-earlier levels.

Production Expenses:

Interest, Seed, and Fuel Up the Most

Production expenses in 1981 are forecast to range from \$141 to \$145 billion. Expenses for interest, seed, fuel, and fertilizer will show the biggest gains. Outlays for interest will probably rise 15 percent or more, given the prospect for continued high rates on short- and long-term loans. Seed expenses could rise nearly a fifth, partly because of last year's drought. Feed expenses are expected to rise less than a tenth, with higher feed grain prices more than offsetting probable declines in livestock feeding.

Fertilizer and agricultural expenses will also rise about a tenth in response to increased planted acreage and more normal weather. Fuel expenses could climb 15 percent from 1980 because of strong price increases in the first half—caused in part by the decontrol of domestic crude oil prices. Fuel prices will likely continue to stabilize in the second half.

In contrast with 1980, when expenses for farm-origin inputs declined, 1981 should see a 4- to 6-percent rise in these expenses—pushed up by higher outlays for seed and feed. Feeder livestock expenses, however, are expected to average at or below the 1980 level because prices have been lower this year. Expenses for inputs from nonfarm sources are forecast up 10 to 12 percent from 1980.

1981 Inventory Change:

A Positive Income Factor this Year

A major contributor to 1981 net farm income is the expected rise in the change in farm inventories. The inventory change is expected to shift from a \$2.0-billion drop in 1980 to about a \$2.0-billion rise in 1981—given the expected recovery in 1981 crops. Larger cattle inventories will also contribute substantially to the positive inventory change.

Cash Receipts, 1977-80

	1977r	1978r	1979r	1980
\$ Million				
Crop Receipts:				
Food grains	6,055	5,839	9,048	10,531
Wheat	5,077	4,689	7,823	9,000
Rice	951	1,114	1,189	1,504
Feed grains and hay	11,906	11,427	14,023	16,794
Corn	8,629	8,246	10,279	12,872
Oats	310	281	272	249
Barley	554	607	648	678
Sorghum	984	905	1,148	1,117
Hay	1,430	1,389	1,677	1,878
Oil crops	9,722	13,023	14,358	14,540
Soybeans	8,689	11,822	12,984	13,373
Other oil crops	1,033	1,201	1,374	1,167
Cotton (incl. seed)	3,470	3,465	4,305	4,476
Tobacco	2,331	2,606	2,271	2,672
Fruits and nuts	4,613	6,764	6,443	6,472
Vegetables	5,638	5,941	6,647	6,817
Other crops	4,915	6,645	6,298	6,724
Total Crops	48,650	53,711	63,394	69,026
Livestock Receipts:				
Red meats	27,893	37,454	43,900	40,564
Cattle	18,863	26,197	31,634	28,667
Calves	1,362	2,051	2,766	2,506
Hogs	7,281	8,753	9,027	8,920
Sheep and lambs	386	453	474	471
Poultry and eggs	7,216	8,130	8,906	9,137
Broilers	3,111	3,722	4,025	4,301
Turkeys	910	1,157	1,216	1,250
Eggs	2,918	2,953	3,317	3,248
Other poultry	277	298	347	338
Dairy Products	11,752	12,690	14,659	16,598
Whole milk	11,490	12,407	14,354	16,251
Other dairy products	262	283	305	347
Other livestock products	778	938	1,057	1,106
Total Livestock	47,639	69,213	68,522	67,405
Total Crop & Livestock	96,289	112,924	131,916	136,431

r = revised.

Totals may not add because of rounding.

1980 INCOME ESTIMATE COMPLETED

In July or August of each year, detailed farm income estimates for the previous year are compiled, and statistics for the 2 preceding years are revised to reflect the most recent data available on income and expenses.

One of the major sources of new information is the Farm Production Expenditures Survey, which is conducted each winter to collect data from farmers on their production expenses during the previous calendar year. Although some price information is available on inputs during the year, actual quantities used by farmers are generally not known. As a result, total production expenditures for the previous year remain forecasts until the expenditure survey data become available around midyear.

New and revised data are also available for 1980 on prices received by farmers, production and disposition of crop and livestock products, and commodity marketing patterns.¹

Net farm income in 1980 (after inventory adjustment) is now estimated at \$19.9 billion, compared with the earlier forecast of \$21.7 billion. This is down about 39 percent from the revised 1979 income of \$32.7 billion. Before inventory adjustment, 1980 net farm income was \$21.8 billion, down 20 percent from 1979.

Cash Receipts Rose Slowly in 1980 . . .

Total cash receipts from farm marketings in 1980 are now estimated at \$136.4 billion, only about 3 percent more than in 1979. Receipts rose about 9 percent for crops, but fell almost 2 percent for livestock. Earlier, total cash receipts for 1980 had been forecast at about \$140 billion.

Cash receipts for crops in 1980 totaled \$69.0 billion, reflecting record export demand and strong second-half prices caused in part by last summer's drought. Cash receipts for feed grains rose 20 percent, led by a 25-percent gain in corn receipts. Receipts for food grains rose 17 percent, led by an increase for wheat. Receipts increased about 3 percent for soybeans and about 5 percent for cotton.

Cash receipts for livestock and products declined in 1980 for the first time since 1974, totaling \$67.4 billion. Cattle receipts fell 9 percent, and hog and lamb receipts also declined. Cattle and hog prices fell about 6 percent, more than offsetting increases in production. Broiler receipts climbed almost 8 percent as higher prices combined with rising production. A 4-percent rise in milk production and an 8-percent increase in farm prices combined to raise milk receipts more than 12 percent in 1980.

¹ Crop marketings during calendar 1980 include percentages of the 1979 crop as well the 1980 crop marketed in calendar 1980. The percentage of the 1979 crop marketed in 1980 was determined using final figures for each month provided by USDA's Crop Reporting Board. Since final estimates of monthly marketings for the 1980 crop will not be known until December 1981, 1980 cash receipts are subject to possible revision in 1982.

... While Production Expenses

Rose Substantially

Increasing interest rates, double-digit inflation, and rapidly rising energy costs pushed total farm production expenses up 10 percent in 1980 to \$130.7 billion. The revised value for 1979 expenses is \$119.2 billion. Actual 1980 expenses were somewhat higher than earlier forecast for fertilizer, hired labor, and net rent to nonoperator landlords, while those for livestock, feed, and interest were lower. Nearly all the change from the earlier forecast of total expenses resulted from revisions of expenses for farm-origin inputs.

Expenses climbed the most last year for fuel (29%), short-term interest (29%), fertilizer (27%), and real-estate interest (19%). Pesticides were the only energy-based input that did not show a large increase—largely because price increases were smaller than expected and use was cut back because of smaller insect populations.

Smaller increases in expenses were recorded for taxes (6%), machine hire and custom work (4%), and miscellaneous items (2%). The small increase in the miscellaneous category was due to reduced expenditures for insurance (most notably for Federal Crop Insurance, from which farmers received more than they paid) and cotton ginning (because of the smaller 1980 cotton crop).

Expenses for inputs of nonfarm origin jumped about 14 percent in 1980 and accounted for about 75 percent of the total—up from 72 percent in 1979. This larger share resulted from the 1-percent decline in expenses for farm-origin inputs and from the large increases in energy-based input expenses and interest charges.

Energy-based inputs (fuel, fertilizer, and pesticides) continued to take a larger share of the expense dollar—15.4 percent in 1980, up from 13.8 the year before and 11.3 in 1970. Fertilizer expenses represented 6.8

Production Expenses, 1977-80

	1977r	1978r	1979r	1980
	\$ Million			
Feed	14,054	14,301	17,101	18,474
Livestock	7,033	10,148	12,687	10,523
Seed	2,904	3,054	3,400	3,912
Farm-origin inputs	23,992	27,503	33,187	32,909
Fertilizer	6,142	6,193	6,965	8,865
Repair and operation	5,765	6,617	7,411	8,116
Fuel	4,356	4,805	6,383	8,261
Hired labor	7,813	8,087	9,258	10,343
Machine hire	2,314	2,530	3,178	3,303
Pesticides	2,009	2,429	3,057	3,070
Short-term interest	3,971	4,902	6,576	8,503
Other operating expense	6,228	7,072	8,167	8,336
Depreciation	15,342	17,315	19,677	21,775
Taxes	3,940	3,620	3,823	4,062
Real estate interest	4,365	5,120	6,149	7,309
Net rent to non-operator landlord	4,058	4,891	5,388	5,814
Nonfarm origin inputs	66,301	73,584	86,030	97,747
Total production expenses	90,293	101,087	119,217	130,656

r = revised.

percent of total expenses in 1980, up from 5.8 percent in 1979. Similarly, fuel's share of total expenses rose to 6.3 percent in 1980 from 5.3 percent the previous year.

Interest charges also are taking an increasing share of total expenses—12.1 percent in 1980, compared with 10.7 in 1979 and 7.6 in 1970. Short-term interest charges accounted for 6.5 percent of the total last year, up from 5.5 in 1979 and 3.6 in 1970. Real-estate interest charges represented 5.6 percent of the 1980 total, compared with 5.2 in 1979 and 4.0 in 1970.

Farm Income from Other Sources Rose in 1980 . . .

Other farm income (including government payments, other cash income, and non-money income) increased 10 percent in 1980 to about \$16.1 billion. Direct government payments totaled about \$1.3 billion, nearly 6 percent below 1979. Although higher payments were made through the wheat, forestry, wool, sugar, and emergency feed programs, they were outweighed by lower payments for the feed grain, cotton, rice, emergency conservation, and farmer-owned reserve storage programs. Farms with 1980 sales of \$40,000 or more received 62.5 percent of direct government payments, the same as in 1979. Government payments averaged about \$529 for each of the estimated 2.43 million farms in the United States.

Other cash income in 1980 of about \$2.2 billion includes income from farm recreational activities, machine hire, and custom work. Nonmoney income of about \$12.6 billion consists of \$11.4 billion for the imputed rental value of farm dwellings and \$1.2 billion for the value of home consumption.

. . . While Inventory Value Declined . . .

Reflecting the drought-reduced 1980 crop production and a decline in the hog inventory, the value of the change in crop and livestock inventories fell \$2.0 billion. This value is down substantially from the record rise of \$5.3 billion in 1979. The tremendous volatility in the inventory change statistic is the main reason for the fluctuations in net farm income after inventory adjustment. Net income before the inventory change has been much more stable in recent years. Change in crop inventories was responsible for nearly all of the total drop; crop inventories fell about \$3.7 billion, while livestock inventories rose \$1.7 billion.

. . . Leaving Net Farm Income Lower
After inventory adjustment, net farm income totaled \$19.9 billion last year, a decline of 39 percent from 1979. In constant (1972) dollars, the decline was about 45 percent. Before inventory adjustment, net farm income was \$21.9 billion, down 20 percent from 1979.

Total cash income in 1980 reached \$139.9 billion, a gain of 3 percent from 1979. Total cash expenses, however, rose 9 percent to \$108.2 billion, leaving farmers' net cash position 13 percent lower than in 1979.
(Gary Lucier (202) 447-4190)

Incidentally . . .

Farms with sales of \$100,000 or more made up 11.6 percent of all farms in 1980. However, these farms accounted for 65 percent of total gross farm income, 68 percent of total production expenses, and 44 percent of net farm income before inventory adjustment. These figures have generally been trending upward over time. For example, in 1960 such farms accounted for only 16 percent of gross farm income.

Average cash receipts per farm last year (including government payments) are estimated at \$57,633—up 3.4 percent from 1979. Total production expenses per farm are estimated at \$53,812—up 9.7 percent from 1979. Net income per farm before inventory adjustment is estimated at \$9,002—down 20 percent from 1979.

Off-farm income in 1980 is estimated at a record \$36.0 billion, up about 8 percent from the revised 1979 figure of \$33.2 billion. Off-farm income contributed almost two-thirds of total family income of farm operators last year, as opposed to about a half in 1979. Farms with sales of less than \$20,000 relied most heavily on off-farm income, with about three-fourths of total income being earned away from the farm. In contrast, farms with sales of \$100,000 or more accounted for only a tenth of all nonfarm income.

FARMERS' 900 NEWSLINE

Dial 900-976-0404

Call the FARMERS'—900—NEWSLINE for the latest U.S. and world crop, livestock, export, and economic news from USDA. A 60-second summary is available 7 days a week, 24 hours a day. Your cost is 50 cents per call. Items are put on the newslines at 4 p.m., Washington, D.C. time on the day indicated. If you call before 4 p.m., you will hear the preceding day's report.

Here's the schedule for September:

September 1	Crops & Weather
2	Agricultural Outlook
3	Sugar Situation
4,5,6,7	Fruit Situation
8	Retail Food Prices
9	Crops & Weather
10	Farm Trade Prospects
11,12,13	U.S. Crop Prospects
14	World Crop Prospects
15	Cattle on Feed
16	Tobacco Situation
17	Dairy Situation
18,19,20	Cattle Update
21	Dairy Situation
22	Soybean Stocks
23	Rice Situation
24	Red Meat Production
25,26,27	Aquaculture Situation
28	Potatoes
29	Crops & Weather
30	Farmers' Prices

In some areas it might be necessary to dial 1-900-976-0404. Features are subject to change. Send comments to: Farmers' Newsline, Room 2918, USDA, Washington, D.C. 20250.



Recent Publications

USDA's Economic Research Service publishes a number of research reports, statistical supplements, handbooks, and other periodicals that may be of interest to you as an *Agricultural Outlook* reader. To order reports listed below, write directly to ERS Publications, Room 0054-South, U.S. Department of Agriculture, Washington, D.C. 20250. Be sure to list the publication number and provide your zipcode.

Agricultural Finance Review. Vol. 41, July 1981.

Trends in Flue-Cured Tobacco Farming. AER 470.

Economic Well-Being of Farms: Third Annual Report to Congress on the Status of Family Farms. AER 469.

Effectiveness of Federal Marketing Orders for Fruits and Vegetables. AER 471.

Economies of Size in U.S. Field Crop Farming. AER 472.

Foreign Ownership of U.S. Agricultural Land, February 1, 1979, Through December 31, 1980. AIB 448.

Japan's Rice Policy. FAER 164.

Changes in the International Grain Trade in the 1980's. FAER 167.

Survey of Irrigation in Eight Asian Nations: India, Pakistan, Indonesia, Thailand, Bangladesh, South Korea, Philippines, and Sri Lanka. FAER 165.

World Indices of Agricultural and Food Production. SB 669.

Economic Planning for Multicounty Rural Areas: Application of a Linear Programming Model in Northwest Arkansas. TB 1653.

Solar-Supplemented, Natural Air Drying of Shelled Corn: The Economic Limitations. TB 1654.

Microfiche

The following are available **FOR SALE ONLY** from National Technical Service, U.S. Department of Commerce, 5285 Port Royal Road, Springfield, VA. 22161.

Aquaculture: Catfish and Trout, Inventory and Sales, 1980. (SB 644) 11 p. Accession No. PB 81 134 348. Paper \$5.00, Fiche \$3.50.

Field Crops: Estimates by States, 1974-78, Acreage, Yield, Production. (SB 646) 71 p. Accession No. PB 81 164 774. Paper \$8.00, Fiche \$3.50.

Hogs and Pigs: Final Estimates for 1976-78. (SB 648) 32 p. Accession No. PB 81 163 313. Paper \$6.50, Fiche \$3.50.

Stocks of Grains, Oilseeds, and Hay: Final Estimates By States, 1974-79. (SB 649) 71 p. Accession No. PB 81 164 782. Paper \$8.00, Fiche \$3.50.

Milk: Final Estimates, 1975-78. (SB 651) 40 p. Accession No. PB 81 163-362. Paper \$6.50, Fiche \$3.50.

Sheep, Lambs, and Goats: Final Estimates for 1976-79. (SB-653) 21 p. Accession No. PB 81 158 685. Paper \$5.00, Fiche \$3.50.

Chickens and Eggs: Final Estimates for 1976-79. (SB 654) 61 p. Accession No. PB 81 161 291. Paper \$8.00, Fiche \$3.50.

Cattle: Final Estimates for 1976-79. (SB 655) 43 p. Accession No. PB 81 161 465. Paper \$6.50, Fiche \$3.50.

Food Consumption, Prices, and Expenditures. (SB 656) 90 p. Accession No. PB 81 158 669. Paper \$9.50, Fiche \$3.50.

Economic Indicators of the Farm Sector: Production and Efficiency Statistics, 1979. (SB 657) 90 p. Accession No. PB 81 161 523. Paper \$9.50, Fiche \$3.50.

Performance of Futures Markets: The Case of Potatoes. (T 1636) 165 p. Accession No. PB 81 168 387. Paper \$15.00, Fiche \$3.50.

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the September *Agricultural Outlook* comes off press.

August

- 21 Eggs, Chickens & Turkeys
- Farm Labor
- 25 Peanut Stocks & Processing
- Sugar Market Statistics
- 31 Agricultural Prices
- Commercial Fertilizers

September

- 1 Poultry Slaughter
- Dairy Products
- 9 Vegetables
- 11 Crop Production
- Egg Products
- 14 Milk Production
- 15 Cattle on Feed
- 16 Peanut Stocks & Processing (Seasonal Report)
- 18 Cold Storage
- 21 Hogs & Pigs
- Soybean Stocks
- 22 Eggs, Chickens & Turkeys
- 24 Livestock Slaughter

To start receiving any of these reports, send your name, address, and zip code to: **SRS—Crop Reporting Board, USDA, Room 0005-South Bldg., Washington, D.C. 20250.** Ask for the report (s) by title.



World Agriculture and Trade

Dollar Appreciates Against Major Currencies

The first 6 months of 1981 saw an almost unbroken increase in the dollar's value relative to the German mark, Dutch guilder, Japanese yen, and British pound. The U.S. dollar has also appreciated slightly against its Canadian counterpart. This performance stems from a remarkable succession of events, each of which moved the dollar consistently from one plateau to another. This steady strengthening of the dollar has helped pressure commodity prices downward.

Continuing from 1980, the historically high interest rates payable on dollar deposits exerted a strong push for continued appreciation, or at least stabilization, of the value of U.S. currency. The high relative rates of return particularly affected the dollar price of European currencies, as they became less desirable to hold. Comparable rates of return on the Canadian dollar and Japanese yen (via investment in the Japanese stock market) helped those currencies retain much of their U.S. dollar value into February.

Factors Underlying the Dollar's Strength

The crisis in Poland made the German mark less attractive relative to the dollar. Even the slightest hint of impending continental conflict typically sends currency traders scurrying to dispose of European monies, particularly German marks. The Canadian dollar, its home far from the Polish border, proved to be one good refuge, but the U.S. dollar was preferred by many. The Polish situation underscored the importance of currency reserves. In recent years, the two most popular have been the U.S. dollar and the German mark. With the mark threatened, traders rushed to the dollar.

Had the situation arisen at any time other than late February to early March, the yen might have done much better. However, at that time the Japanese stock market was experiencing a slight reversal as predictions for 1981 GNP growth were not very positive. As a result, German marks, French francs, and Swiss francs, among others—which could have been converted to yen—were switched to dollars. In fact, the rush to board the dollar bandwagon even led to slight depreciation of the yen.

The recession in West Germany also contributed to the dollar's rise. Interest rates in West Germany, already at postwar highs, could not be raised for fear of deepening

the economic slowdown. Therefore, speculators looked first to other currencies. The rising cost of dollars has also led to much higher import bills for oil (payable in dollars), exacerbating balance-of-payment problems and further eroding the international value of the mark.

Finally, the election of Francois Mitterrand and a Socialist majority in France added to the pressures on all European currencies in the common "float", in which the currencies of all European Community members except Great Britain maintain their values relative to each other but fluctuate against outside currencies. Threats of nationalizations and severe currency restrictions led many traders to dispose of French francs as rapidly as possible. Not only was that exchange value affected, but so were all currencies in any way tied to the franc—most notably the German mark and Dutch guilder.

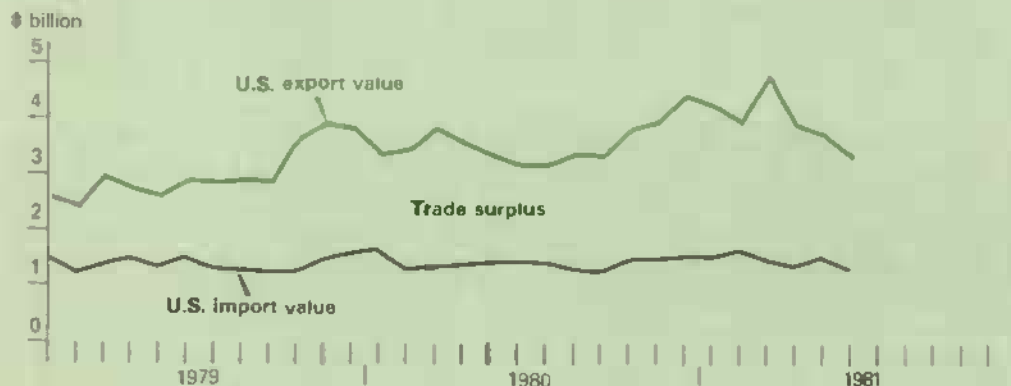
The continuing high level of U.S. interest rates, the still-improving U.S. balance on current account, passage of the Administration's budget in Congress, and continued political tension in Europe will sustain the dollar's strength. Any depreciation will depend on drops in rates of return available for dollar deposits. Only strong signs of stabilization in Western Europe after recent elections will have a similar effect in coming months. [David Stallings (202) 447-8457]

U.S. Dollar's Value Soaring

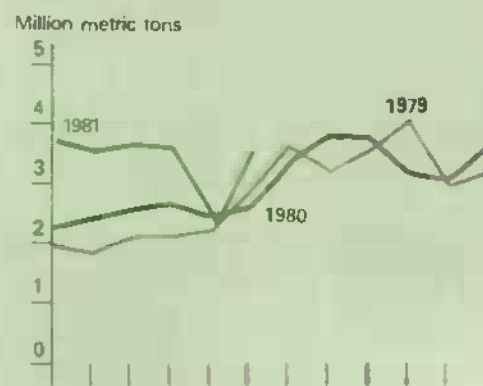
	One U.S. dollar buys this many:				
	German marks	Japanese yen	British pounds	Dutch guilders	Canadian dollars
1977	2.322	268.5	.5729	2.454	1.064
1978	2.009	210.5	.5214	2.164	1.141
1979	1.833	219.2	.4713	2.005	1.171
1980					
Jan	1.724	237.7	.4412	1.902	1.163
Feb	1.748	244.2	.4369	1.926	1.157
Mar	1.852	248.3	.4532	2.030	1.174
Apr	1.875	250.0	.4523	2.055	1.186
May	1.790	228.2	.4339	1.971	1.173
June	1.767	217.8	.4279	1.938	1.151
July	1.748	221.1	.4213	1.910	1.152
Aug	1.788	223.8	.4215	1.947	1.159
Sept	1.790	214.4	.4164	1.947	1.164
Oct	1.843	209.2	.4134	1.998	1.169
Nov	1.918	212.2	.4145	2.074	1.185
Dec	1.971	209.3	.4261	2.138	1.196
1981					
Jan	2.010	202.3	.4160	2.183	1.191
Feb	2.137	205.6	.4358	2.329	1.198
Mar	2.104	208.6	.4480	2.326	1.191
Apr	2.163	214.0	.4594	2.400	1.191
May	2.290	220.5	.4782	2.546	1.201
June	2.378	224.2	.5073	2.642	1.204
July	2.429	232.3	.5333	2.711	1.211

U.S. Agricultural Trade Indicators

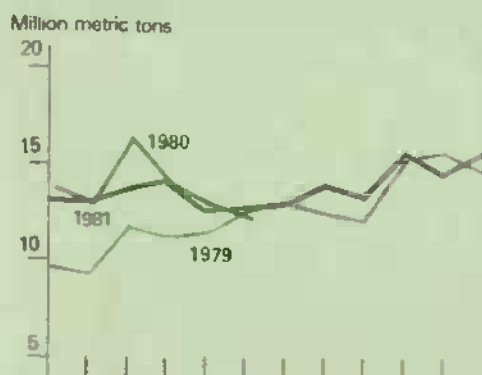
U.S. Agricultural Trade Balance



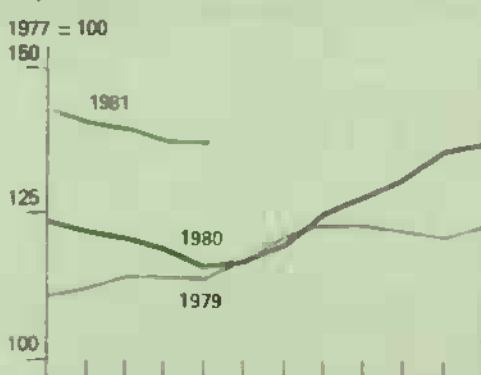
U.S. Wheat Exports



Export Volume



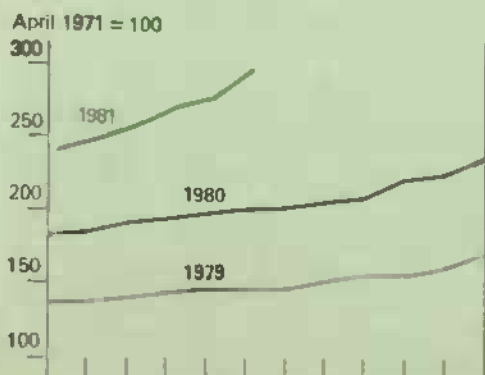
Export Prices



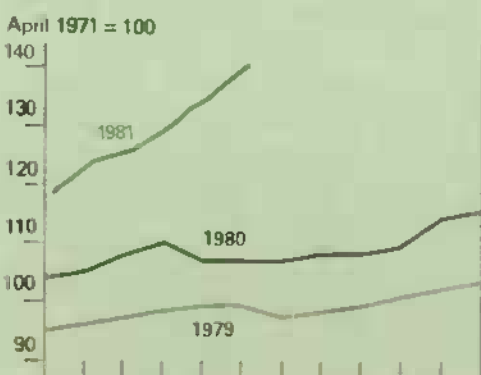
U.S. Corn Exports



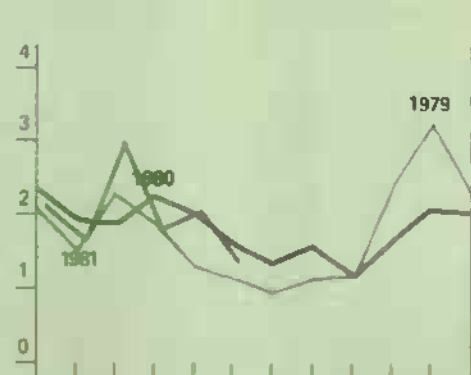
Wheat Exchange Rate*



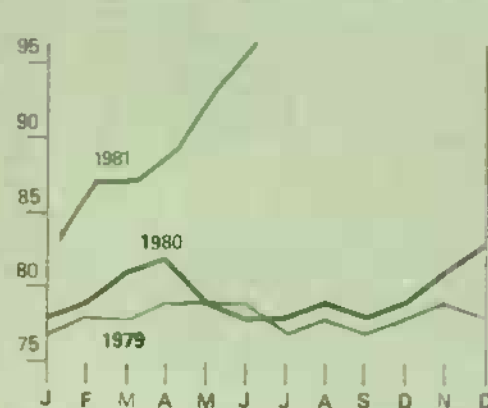
Corn Exchange Rate*



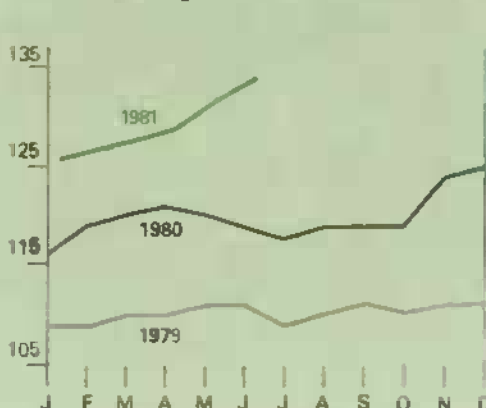
U.S. Soybean Exports



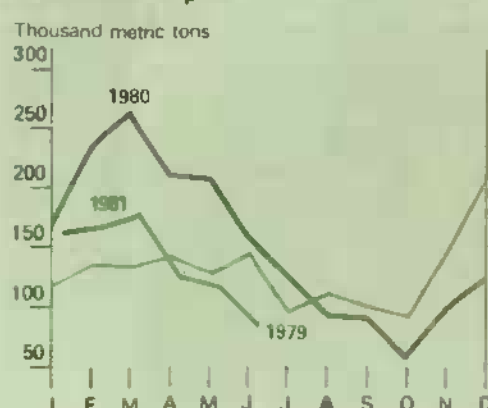
Soybeans Exchange Rate*



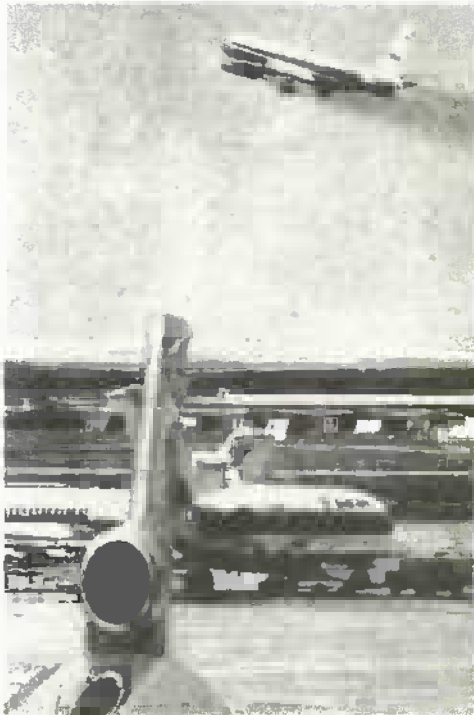
Cotton Exchange Rate*



U.S. Cotton Exports



*Foreign currency value of U.S. dollar, weighted by relative size of agricultural trade with the United States. An increasing value indicates that dollar has appreciated against the basket of currencies represented in that particular commodity market



General Economy

The economy has apparently returned to the stagnation that by and large has characterized it since late 1978. Preliminary estimates show that real Gross National Product (GNP) fell at an annual rate of 1.9 percent in the second quarter—a substantial reversal from the 8.6-percent growth rate achieved in the first quarter. The second-quarter real GNP of \$1,509.1 billion represents growth of only 0.9 percent (compound annual rate) from the first quarter of 1979. This compares with a growth rate of 4.8 percent from first-quarter 1976 to fourth-quarter 1978.

The absence of strength in all major sectors of final demand—consumption, investment (including housing), net exports, and government—suggests that growth during the next several months will be modest at best. The latest GNP figures substantially improve the case for tax relief, which was weakened by the strong first quarter. Thus, prospects for economic growth in the fourth quarter are strongly linked to Government fiscal and monetary policies. Passage of a 5-percent tax cut effective October 1 could accelerate the annual growth rate to about 3 percent.

Inflation Slowing

One favorable development this year has been the slowdown in inflation. As measured by the Consumer Price Index, inflation has slipped out of the double-digit range and is likely to remain between 7 and 9 percent for the rest of the year.

Lower commodity prices and the strong dollar, both partly the result of high interest rates, have slowed inflation. Barring unforeseen developments in the Middle East, oil prices will likely be stable and could even continue to decline through 1981. Worldwide inventories are high, and demand is still depressed by the price increases of 1979 and 1980, as well as by the sluggish economic growth prevailing in most industrialized countries.

Because oil exporters set prices in dollars, the stronger dollar will offset much of the revenue lost because of lower oil prices and limit pressure for future price increases. The dollar's recent strength improves the competitive position of imports in the domestic market. The result is lower inflation and possibly lower production. In addition, high interest rates, which discourage inventory holding, are putting downward pressure on commodity prices. However, food prices, which rose very slightly in the first half, are expected to increase more rapidly in the second half.

Further headway against inflation will depend on lowering unit costs of production. Increases in unit labor costs (wage rate increases corrected for changes in productivity) generally set a lower limit to price increases. With wage rates increasing 9 to 11 percent (annual rate), productivity (output per worker hour) must improve 3 to 5 percent to hold the rise in unit labor costs to 6 percent. Over the longer term, productivity will be enhanced by increased investment and improvements in the capital stock, easing of government regulations, and a more experienced work force.

Interest Rates Still Volatile

At the moment, one of the primary weapons in the fight against inflation is a tight monetary policy. However, many analysts are concerned that the slow rate of money-supply growth will keep interest rates high—curbing economic growth. Since the Federal Reserve Board began concentrating on controlling the money supply rather than interest rates, interest rates have grown more closely tied to fluctuations in the general economy. This increased volatility has greatly raised the risk of holding financial assets—particularly long-term bonds. As a result, the long-term bond market has almost disappeared as a source of business financing.

Forecasting interest rates, never an easy task, is now unusually difficult, as the wide range of forecasts shows. The current controversy centers on what effect tax cuts will have on consumer saving. Analysts who foresee record high interest rates this fall believe that any increase in savings will be insufficient to accommodate both a larger Federal deficit and increased business demand. Those who expect short-term interest rates to drop below 12 percent believe this pool of savings will be able to accommodate all demands at the lower rate.

In any event, interest rates will fluctuate with the supply of and the demand for loanable funds. The consensus forecast calls for interest rates to decline irregularly into late summer and then rise moderately in the fourth quarter. It is likely that rates will be highly volatile, reacting rapidly to changing events.

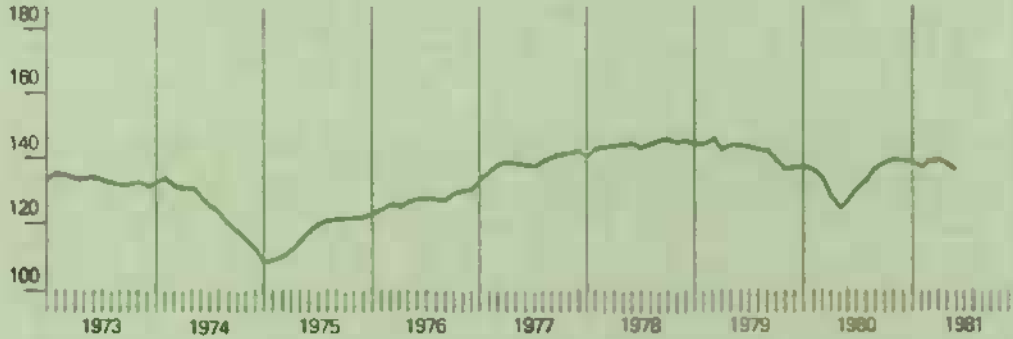
Demand Remains Sluggish

Consumption expenditures fell at an annual rate of 2.1 percent in the second quarter—down sharply from the 5.8-percent increase attained in the first quarter. Consumption is expected to increase marginally in the third quarter—getting a boost from the 11.2-percent increase in Social Security benefits that took place July 1. With a 5-percent tax cut effective in October, savings and consumption would increase in the fourth quarter.

General Economic Indicators

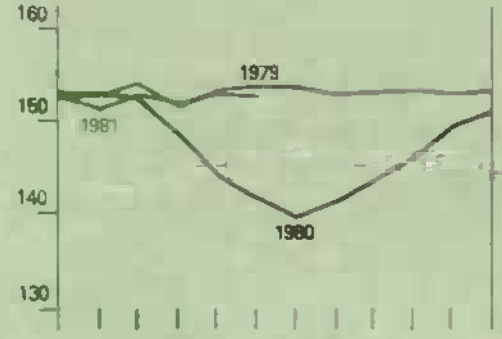
Composite Leading Economic Indicators

1967 = 100



Industrial Production

1967 = 100



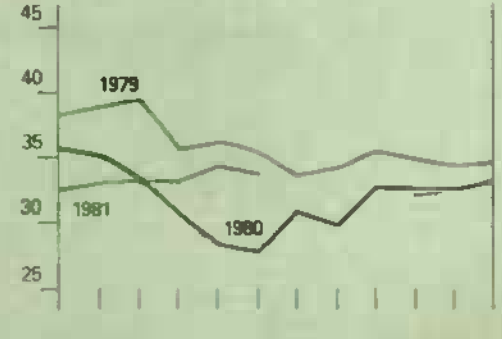
Disposable Income and Consumption Expenditures^{1,7}

\$ bil.



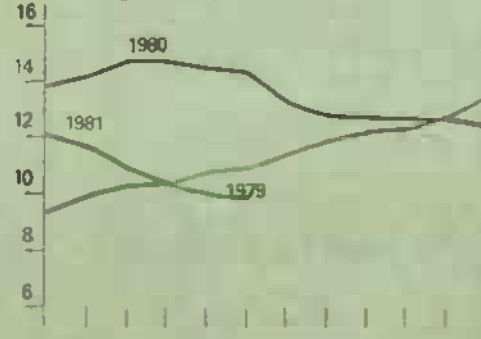
Manufacturers' Durable Goods Orders²

\$ bil.



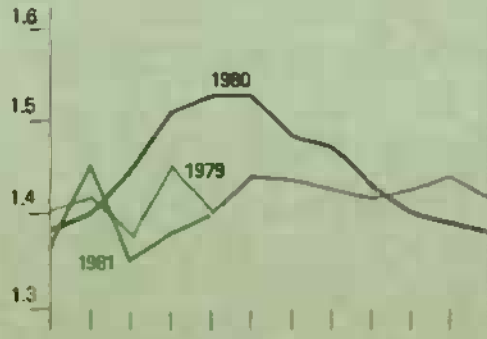
Consumer Price Index

Percent change from a year earlier



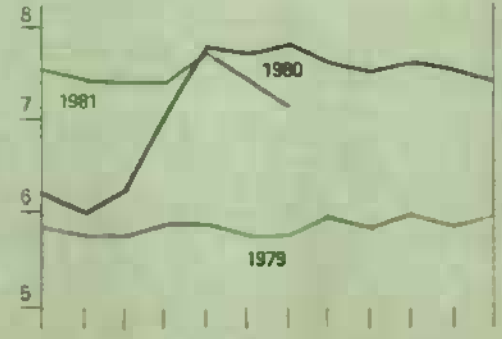
Inventory/Sales³

Ratio



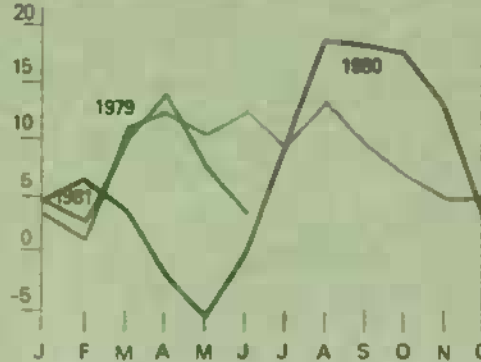
Unemployment⁴

Percent of all civilian workers



Money Supply (M1-B)⁵

Percent



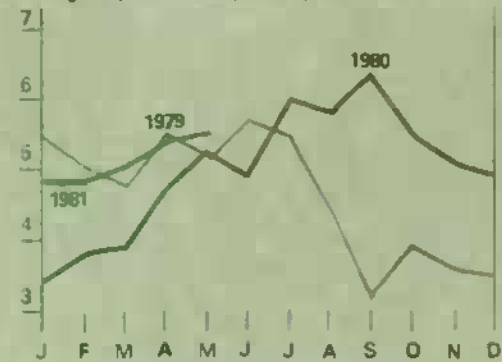
Treasury Bill Rate

Percent



Savings Rate^{6,7}

Savings as percent of disposable personal income



¹Billions of 1972 dollars, seasonally adjusted at annual rates. ²Billions of 1967 dollars. (Current dollars deflated by seasonally adjusted producers price index for capital goods)

³Manufacturing and trade, seasonally adjusted at annual rates. ⁴Seasonally adjusted.

⁵Annual rate of change in 3-month moving average.

⁶Calculated from disposition of personal income in 1972 dollars, seasonally adjusted at annual rates. ⁷Estimate for latest month. Sources are the U.S. Department of Commerce, the U.S. Department of Labor, and the Board of Governors of the Federal Reserve System.

Housing starts of 1.03 million units in June confirm the continued slump in residential construction. With consumers facing slow income growth and high interest rates, the near-term outlook for housing remains poor. The prevailing mortgage rates of 15 to 16 percent have effectively priced most families out of the housing market. The limited availability of mortgage money—due to record withdrawals and losses at savings and loans—will keep rates high throughout 1981. However, long-term rates should decline as inflation subsides, allowing the housing industry to recover in 1982.

Given the continued weakness in economic activity abroad and the sharply stronger dollar, the U.S. merchandise trade balance can be expected to deteriorate progressively throughout the year. However, continued strong service surpluses could offset the declining trade position, leaving real net exports somewhat higher in 1982.

Although investment in energy-related activities is quite strong, total investment is still substantially below the first-quarter 1979 level. Current constraints on investment include: low levels of capacity utilization, relatively low profits, the high cost of borrowing, and the virtual demise of the long-term bond market.

Investment is expected to improve in the fourth quarter and will be one of the strongest factors in the economy in 1982. Although businesses kept a very tight rein on inventories through the first quarter, the \$9.7-billion increase in second-quarter inventories raises the possibility of a small inventory correction in the current quarter, dampening prospects for third-quarter production. [Randy Zeitner (202) 447-2317]



Food and Marketing

1981 FOOD PRICE UPDATE

The Consumer Price Index (CPI) for food is expected to rise 8 to 10 percent this year, with current indicators suggesting a 9-percent increase. However, the final outcome will hinge on what happens in coming months to weather, livestock marketings, and the general economy.

About one-fifth of this year's rise in retail food prices can be attributed to a 5-to 8-percent increase in the farm value of food, most of which is anticipated to come in the second half. In particular, the farm value of meats will rise in the third quarter as hog marketings decline.

Over three-fifths of the 1981 food price rise will come from a 10- to 12-percent increase in the farm-to-retail spread. Rising costs for labor, transportation, packaging, and energy are the primary causes. The rest of the change in 1981 food prices will come from a 7- to 9-percent jump in the cost of fish and imported foods.

Declining meat prices in the first part of 1981 from late 1980—reflecting large marketings and weak demand—have helped to moderate food price rises so far this year. Other moderating factors include: 1) some recovery in global sugar production, leading to declining prices; 2) large stocks and expectations of large world production of coffee, causing retail prices to fall before the recent freeze in Brazil; and 3) elimination of the April 1 dairy price-support increase, reducing price advances for retail dairy products. Consequently, the retail food price rise this year will likely be less than the general inflation rate.

Prices To Accelerate in Third Quarter

The third-quarter food price increase will exceed the relatively low second-quarter rate, spurred mainly by higher prices for meats and poultry. The fourth quarter is forecast to show a smaller rise than the third, as supplies of meats and other foodstuffs increase seasonally.

Reduced cattle and hog marketings late in the spring and into the summer pushed up cattle and hog prices. Higher prices will probably be passed on to consumers in the third quarter. Beef production should rise some this quarter, but pork production will fall. Retail poultry prices will also climb as consumers buy less of the higher priced red meats. Retail meat price increases will slow in the fourth quarter as production of red meats picks up seasonally.

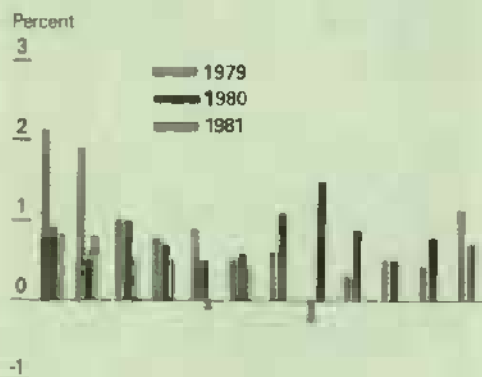
Retail prices of dairy products are expected to increase only slightly in the third quarter. Although commercial use may rise some, stocks of dairy products are large, and milk production will continue above a year ago. Prices for dairy products will climb seasonally this fall, with larger gains likely if price supports are raised on October 1.

Prices for sugar and sweets may ease in the third quarter, as the spring's lower wholesale prices are passed through to retail. Lower sugar prices would partly offset rising marketing costs, moderating price rises for soft drinks.

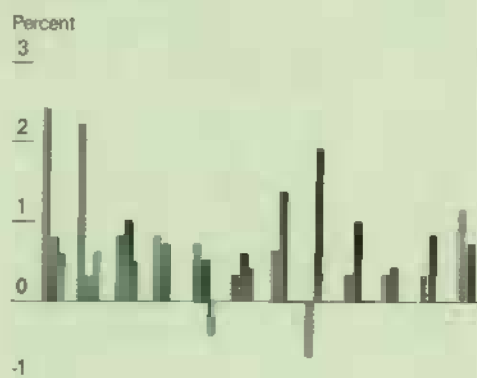
Retail coffee prices may change little for the rest of the year. Stocks are plentiful, and world production this year will likely be large despite the recent freeze in Brazil.

Food and Marketing Indicators

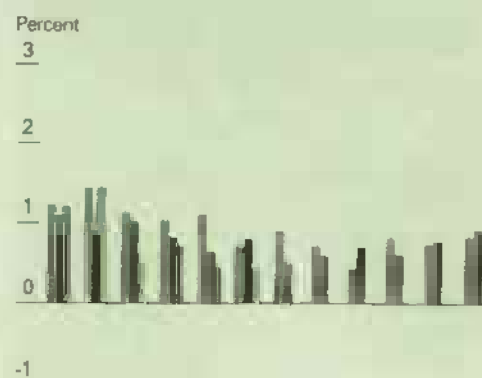
CPI: Total Food[○]



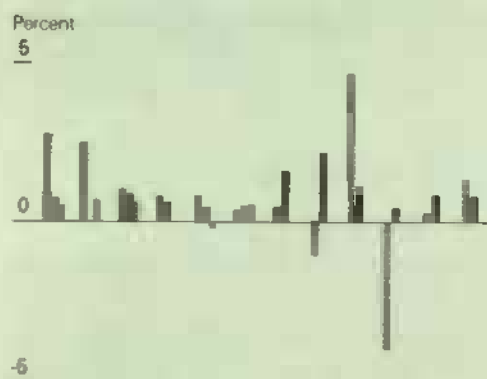
CPI: Food at Home[○]



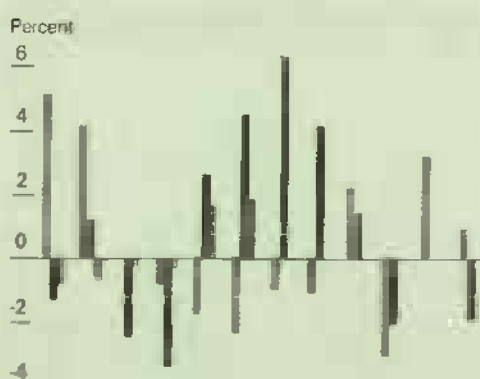
CPI: Food Away from Home[○]



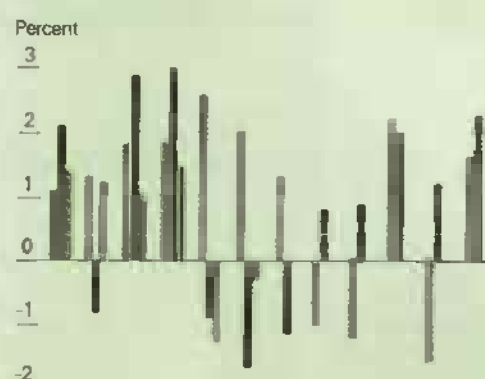
Farm Food Market Basket, Retail Price



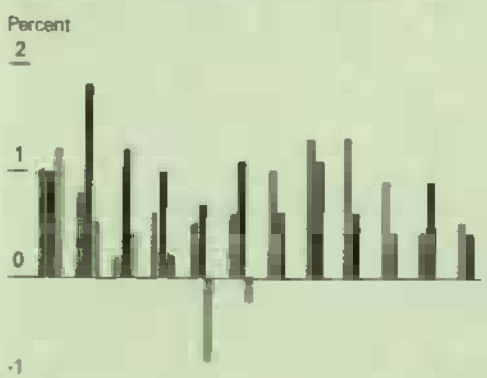
Farm Value



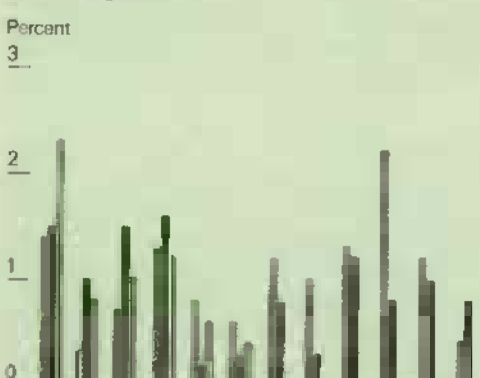
Farm-to-Retail Spread



Imported Food and Fishery Products



Marketing Cost Index



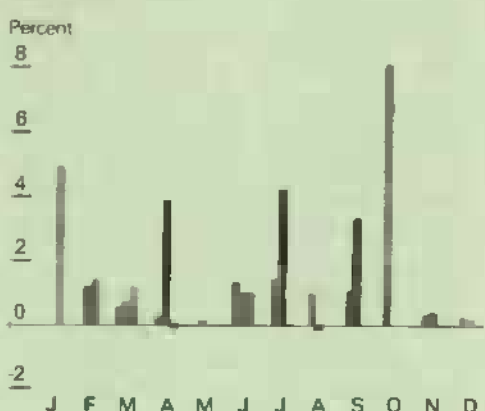
Labor Cost



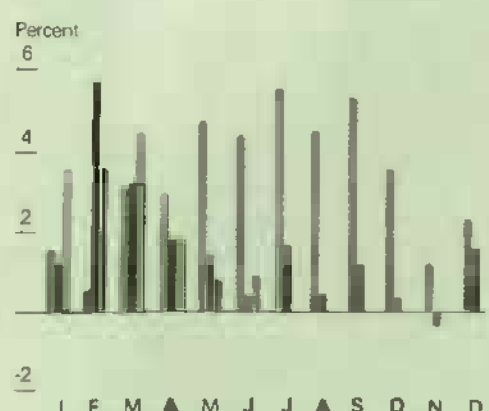
Packaging Cost



Rail Freight Rates



Energy Rates



[○]CPI unadjusted.

All series expressed as percentage change from previous month.

Vegetable prices will decline in the third and fourth quarters as production expands. Fruit prices, however, will rise until the fall apple harvest, while citrus prices will advance seasonally until later in the year. A normal peanut crop this fall should lead to reduced prices for peanut butter and may slow the rise in the fats and oils CPI.

FOOD MARKETING COSTS

The farm-to-retail price spread accounts for over 60 percent of retail grocery prices for domestic food. The USDA index of food marketing costs measures price movements for 83 percent of the marketing functions implicitly included in the spread. The difference between the marketing cost index and the price spread reflects food industry profits and changes in labor productivity.

Through June, the index of food marketing costs averaged 12.2 percent above the first 6 months of 1980. The price spread, however, rose 10.2 percent during this period. The spread's smaller rise probably reflects both higher labor productivity and lower profits. Productivity data for the nondurable manufacturing sector indicate that output per hour in first-half 1981 was up 2.6 percent. Industry data for some retail chains indicate lower profits, probably a consequence of competition from box and warehouse stores.

Labor

So far, labor costs have averaged 11.6 percent above 1980, pushed up by a 14-percent rise in food-retailing wages. The wage gains are due mainly to cost-of-living adjustments and deferred wage increases included in many union contracts. The expanding role of employee benefits—including bigger employer contributions to Social Security and increases in the minimum wage—has also added to labor costs.

Packaging

Through June, prices for packaging materials averaged 7.2 percent higher than a year ago. Lower prices for polyethylene resin—a consequence of surplus capacity and strong competition in the plastic container industry—held down the increase. However, prices of glass containers have risen 13 percent, reflecting significantly higher labor costs since the spring of 1980, when a 3-year labor agreement was negotiated with the Glass Bottle Blowers Union. In addition, rising production costs have caused an 11-percent jump in prices for paper and paperboard.

Market Basket Of Farm Foods¹

Period	Retail cost	Farm value	Farm-retail spread	Farm value share of retail cost
		1967=100		Percent
1970 . . .	113.7	114.0	113.5	37
1971 . . .	115.7	114.6	116.4	37
1972 . . .	121.3	125.1	119.1	38
1973 . . .	142.3	167.9	127.2	44
1974 . . .	161.9	181.5	150.4	41
1975 . . .	173.6	187.8	165.2	40
1976 . . .	175.4	178.0	173.9	38
1977 . . .	179.2	178.3	179.7	37
1978 . . .	199.4	205.6	195.7	38
1979 . . .	222.7	228.1	219.5	38
1980 ² . .	238.8	240.3	238.0	37
1979				
I	217.4	229.5	210.4	39
II	223.8	234.0	217.8	39
III	224.3	223.4	224.8	37
IV	225.3	225.3	225.3	37
1980 ²				
I	229.8	227.3	231.3	37
II	233.7	226.7	237.8	36
III	242.7	253.9	236.2	39
IV	249.2	255.7	245.3	38
1981 ²				
I	253.9	249.2	256.7	36
II	255.3	246.5	260.4	36

¹ The market basket represents all foods originating on U.S. farms sold in retail food stores. The retail cost is a special index of retail prices for domestically produced foods published by the Bureau of Labor Statistics. The farm value is the payment to farmers for the farm products equivalent to foods in the market basket. The spread is the difference between the retail cost and farm value. ² Preliminary.

Transportation

The transportation component of the index represents rail freight rates for food products. Rail rates have climbed 19.1 percent since the first 6 months of 1980—a consequence of general rate hikes and fuel surcharges approved by the Interstate Commerce Commission to cover higher operating expenses. Most recently there was a 1.1-percent fuel surcharge in late February, a 1.1-percent general rate increase in June, and a 2.8-percent rate increase in July for shipments made over two or more rail lines.

Fuel and Power

The fuel and power index averaged 20.6 percent above first-half 1980. Because of OPEC price increases last fall and decontrol of domestic crude oil prices earlier this year, diesel and fuel oil prices have risen 27 percent. Electricity and natural gas prices have risen 15 percent and coal prices 5 percent. [Paul Westcott (202) 447-8801, and Ralph Parlett (202) 447-6860]



Storage and Transportation

Storage Adequate for 1981 Harvests

Because of continuing increases in storage capacity (109 million bushels since 1980) and decreases in carryover grain stocks from 1980's record levels, storage space should be sufficient for this year's grain harvest. Based on recent marketing levels and the July crop estimates, only 4 of 15 States selected for close scrutiny (which will account for nearly three-quarters of the total U.S. grain harvest) appear likely to fill more than 75 percent of their available storage capacity. Three of these—Kentucky, Tennessee, and Montana—may require 80 percent or more of their available capacity. Changes in export demand or variations in actual production from early estimates could affect this picture.

Despite this surplus capacity situation, there may still be some localized problems. At the peak of harvest, producers will encounter delays in moving grain into local elevators for storage or subsequent shipment. Such delays are caused by limitations in elevators' receiving capacity as well as temporary storage shortages.

Estimated Utilization of Grain Storage Capacity on November 1, 1981

State	Percent
Texas	37
Oklahoma	33
Kansas	33
Nebraska	65
Iowa	71
Missouri	79
Illinois	65
Ohio	45
Minnesota	65
North Dakota	45
Kentucky	87
Tennessee	80
Montana	72
Washington	68
Colorado	87
U.S. Total	65

Federal programs to assist farmers in developing sufficient storage facilities to accommodate farmer-held grain reserves have, in recent years, caused on-farm storage capacity to grow much more rapidly than off-farm capacity. On-farm facilities can now hold more than 11 billion bushels; the total U.S. capacity is 18.3 billion.

However, the period of rapid increase in storage capacity appears to be over. For one thing, interest rates on loans enabling farmers to build storage facilities have been raised from 10.5 percent in 1979 to 14.5 percent and can now be adjusted up or down to reflect general interest rates. In addition, individual loan limits have been halved to \$50,000, and storage needs (the capacity for which a loan may be authorized) have been reduced from 2 year's production (not including capacity used to store grain held in the reserve program) to one year's production (including grain held in the reserve program). The term of such loans has also been reduced from 8 to 5 years.

Expansion of commercial storage facilities has also slowed because of high interest rates and the surplus capacity situation prevailing this year. No more than 68 percent of commercial storage has been used so far this year. In June, 62 percent of commercial storage space was empty. Even with the wheat harvest underway, 53 percent remained unused. Total storage capacity should remain adequate, with surpluses in the Western States from North Dakota to Texas likely remaining for the foreseeable future.

Railroads Ready To Meet Harvest Demand

The U.S. transportation system continues to be well prepared to meet the demand from this year's grain harvest. Although the number of 40-foot narrow-door boxcars (most useful to small country elevators) has declined 25 percent from mid-1980, the jumbo covered-hopper car fleet has increased 10 percent, a capacity increase of about 850 million tons. Many of these cars have remained unused during the recent wheat harvest.

Indeed, railroads are reportedly growing more reluctant to employ shipper-owned hopper cars for moving grain. The Santa Fe Railroad has announced that it will not accept shipper-owned cars from Santa Fe loading points after May 1, 1982. At the same time it announced a tentative plan to purchase one shipper-owned car for each 16 loads carried in private covered-hopper cars during 1980. This announcement will probably reduce the value of privately owned cars. Should these policies be adopted by other railroads, the impact could be quite large.

Overall, privately owned cars account for 47 percent of the jumbo covered-hopper fleet, and the private fleet has been growing more rapidly than the railroads'. The Santa Fe's tentative purchase plan would seemingly result in the purchase of relatively few cars. Restricted use of privately owned cars could slow growth of the covered-hopper fleet. Should the very high level of grain exports anticipated for the 1980's develop, cars could again be in short supply.

Barges also appear to be in large supply. Spot rates are quoted at 140 to 145 percent of base prices, in contrast to 200 percent of base during periods of high volume.

Rail Rates Continue Up

After leveling off in May, rail rates for both farm and food products have again started moving upward. In June, rates for grain stood 17 percent above a year ago, with rates for food products up nearly the same amount.

Railcars Available for Use

	July 15, 1980	July 15, 1981
40-ft. narrow-door boxcars . . .	49,511	30,504
Jumbo covered-hopper cars . . .	200,973	222,346

Early in July, the Interstate Commerce Commission (ICC) adopted rules governing the factors that define "market dominance" by railroads. Under the Staggers Rail Act of 1980, the ICC cannot disapprove rail rates unless the railroad involved exerts market dominance over the shippers to which the rate applies. Under the newly published rules, it will be more difficult to prove market dominance; thus, the rates offered to many shippers will not be subject to the ICC's review. This situation, combined with the poor financial condition of many railroads, is likely to result in continuing railroad rate increases for food and farm products.

At the same time, certain shippers will benefit from substantial rate reductions over specified routes. The Burlington Northern (BN) has announced reductions on wheat and feed grains moving from Colorado, Wyoming, Nebraska, northern Kansas, western Iowa, and western Missouri to Houston and Galveston, Texas. This unit-train service (one shipper filling a multi-car train) offers 15-percent reduction for 27-car trains and 18-percent reduction for 54-car trains. The service offers smaller reductions for loadings at more than one point.

The BN has also instituted unit-train service with rate reductions of as much as 18 percent from parts of Montana, Minnesota, and the Dakotas to Pacific Northwest ports, Duluth-Superior, and Minneapolis-St. Paul. BN had originally intended the rates for westbound shipments to expire on December 31, 1981, and eastbound rates to expire on July 1, 1982. At this time, BN has announced its intent to extend both set of rates until December 1, 1982.

These and other similar reductions indicate a trend toward favorable rail rates for large volume shipments. [T.Q. Hutchinson (202) 447-8487]



The Japanese Market: Sizing Up Future Trade

Japan is the United States' largest single-country market, accounting for about 15 percent of U.S. agricultural exports. Over the past 10 years, Japan has relied on the United States for more than one-third of total agricultural imports, with the U.S. share increasing slowly but steadily. In the future, the United States will at least maintain its share of the Japanese market. U.S. agricultural shipments to Japan in 1980 totaled \$6.1 billion and will likely approach \$7 billion by the end of 1981.

More than 80 percent of U.S. farm exports to Japan during the 1970's were bulk commodities—raw materials for agricultural industries. Items such as grains, hides and skins, feeds and fodder, oilseeds, unmanufactured tobacco, and cotton made up 87 percent of the total in 1980. During the 1970's U.S. exports of coarse grains—representing one-third of the total value—grew 9 percent each year, largely in response to Japan's expanding feed-livestock economy.

The rest (13 percent) of U.S. farm exports to Japan last year comprised commodities such as meats, dairy products, fruits, vegetables, and nuts—which require more processing and handling. These products face more restrictions because Japan, like other countries, wants to use its own labor force to process agricultural products.

Growth in the Japanese market has been largely due to population and income growth reinforced by a shift toward a Western diet. Traditional foods such as rice grew less important as consumers increased their consumption of wheat products, meats, fruits, and vegetables. However, Japan's protectionist policies probably hindered the expansion of agricultural trade. Such policies were designed to maintain the incomes of politically powerful farmers and to achieve national food security—an objective spurred by the widespread hunger Japan faced during World War II.

In Japan, maximizing agricultural production is associated with food security, but increasing output in resource-poor Japan is difficult and expensive. The average farm size is only 2½ acres. Yields are high, but the productivity of agricultural labor is among the lowest of developed countries.

Protectionist Policies

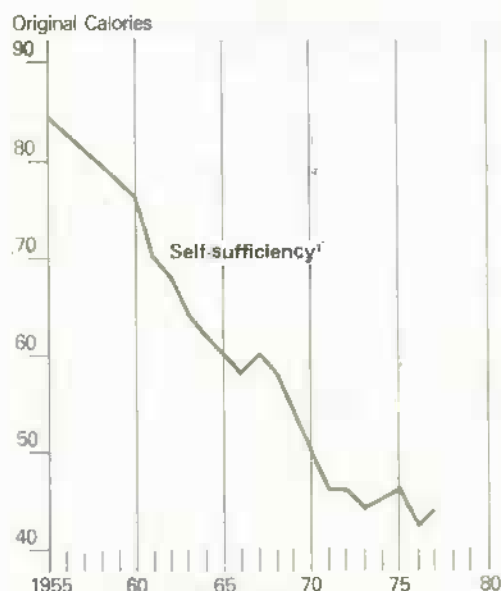
Protecting Japan's agriculture requires large support payments to maintain land, labor, and capital in agricultural production. These programs are expensive. For example, the cost of Japan's rice program was \$5 billion in 1979.

Insulating Japanese agriculture from free trade keeps producer prices high. Imports of wheat, rice, and barley are strictly managed by the government's Food Agency. Import quotas are imposed on 22 different agricultural and marine products, such as beef and fresh oranges. *Ad valorem* tariffs on bulk commodities are relatively low, but range up to 40 percent on higher value-added items such as fresh and processed fruits and vegetables. For 11 agricultural items, including corn for industrial purposes and barley for feed, imports are tariff-free unless they exceed their quota. Strict plant and animal quarantines and a limited marketing system also keep retail prices high and limit import demand.

Despite its protectionist policies, Japan's agricultural self-sufficiency, as measured in original calories (consumed by both livestock and people), declined from 76 percent in 1960 to 44 percent in 1977, according to an Australian government study. However, the drop slowed significantly in the 1970's as the worldwide grain shortage of 1972-73 and the U.S. soybean embargo in 1973 highlighted Japan's dependence on foreign supplies. To reduce vulnerability to disruptions, Japan attempted to increase self-sufficiency, entered into bilateral agreements on major commodities, and began stockpiling grains and soybeans and investing in foreign agriculture.

Japan will likely continue as a sizable importer of farm commodities through the 1980's. The United States, with its competitive prices and reliability as a supplier, should maintain at least one-third of this market. The Japanese market will grow, but not as rapidly as in the last two decades. Population and income growth, further Westernization of diets, limited fish supplies, declining self-sufficiency, more liberal trade, and structural changes in Japan's agriculture will all contribute to the expansion.

Japan: Self-Sufficiency Declining



Source: Bureau of Agricultural Economics, Canberra, Australia, *Japanese Agricultural Policies: Their Origins, Nature, and Effects on Production and Trade*, 1981.

¹Percent of original calories (livestock feed and human consumption) produced in Japan.

Population and Income Growth

Crowded on a rugged area the size of California, Japan's population of 117 million is about half that of the United States. Over the next decade, the population should grow just under 1 percent (compared with a little more than 1 in the 1970's). Meanwhile, per capita income may rise 3 to 4 percent a year—low by past standards (4 to 5 percent in the last decade)—but high compared with projected rates for other industrialized countries. Population and income growth ensures that Japan's demand for food will be greater in the future. Demand for Western food will also continue, leading to higher per capita requirements of original calories.

Japan's productivity will continue to be severely limited. Official projections indicate that overall agricultural self-sufficiency will not change by 1990. However, this projection assumes the diversion of riceland to other crops—an expensive program that may meet political opposition in coming years. It is more likely that self-sufficiency will continue to drop, leading to greater dependence on imports.

Fish Supply Limited

The shift toward a Western diet could accelerate because of Japan's dependence on the world's fishery resources. The imposition of 200-mile fishing limits by many nations threatens to restrict Japan's future supply of fish, its most important animal protein. Japan has become more dependent on fish imports because its annual catch has stabilized between 10 and 11 million tons since 1972. With rising retail prices of fish and other marine products, consumers will shift to meats, eggs, and dairy products. The result will be either large imports of livestock products or increased domestic production. A move to boost domestic output would require more imports of feed grains and oil seeds.

U.S. exports of processed and semiprocessed items should expand over the next decade. Exports rose in the last decade as Japan lowered the number of agricultural commodities under import quotas from 73 in 1969 to the 22 currently in force. U.S.-Japan bilateral trade negotiations in late 1978 and the Multilateral Trade Negotiations signed in 1979 brought about modest nontariff concessions covering such products as high-quality beef, fresh oranges, and citrus juice. Japan agreed to expand import quotas on these items incrementally through 1983. Japan also agreed to phase in tariff reductions on many other higher value-added items through 1987.

Future Japanese agricultural policies will also affect market growth. Japan faces three alternatives:

- It could maintain the present policy that sustains small-scale, high-cost rice production. This course is unlikely because of the waning influence of farmers, the increasing strength of consumer groups, and pressure from foreign food suppliers for eased import restrictions.
- Some consumer groups and foreign interests favor free trade, but it would produce dislocation if rapidly adopted. Although Japanese society would theoretically experience a net gain, producers would sustain sizable cuts in income. A rapid switch to *laissez faire* is unlikely.

- Because Japan continues to be concerned about food security, it will probably pursue a moderate course, continuing to protect agriculture while gradually increasing efficiency and competition in relation to world markets. A moderate policy would require greater fluidity of cultivation rights. ¹ With revised cultivation rights, 4.7 million farm families could remain in rural areas while working in nonagricultural jobs. Retaining a fourth to two-thirds of an acre for home gardens, landowners could lease the rest to full-time farmers. Ideally, this would lead to larger farms, thus raising labor productivity and reducing the need for many protectionist policies. ² [William T. Coyle (202) 447-8860]

¹ The country's land law, enacted in 1952, has been instrumental in maintaining the small-scale character of Japan's agriculture by making it practically impossible for a farmer to get back his land once he has leased it; further, the rent he can draw from the land is kept at a low level. The law, which attempted to redress the historical inequities of Japan's pre-World War II tenure system, virtually rejects the separation of ownership and cultivation rights. ² Hayami, Yujiro. *Agricultural Issues in Japan's External Economic Coordination*, unpublished paper, Tokyo Metropolitan University, July 1980.

Upcoming Situation Reports

USDA's Economic Research Service will issue the following situation reports this month:

Title	Summary Released
Poultry & Egg	Aug. 25
Cotton & Wool	Aug. 26
Sugar & Sweetener	Sept. 3
Fruit	Sept. 4
World Crop Production*	Sept. 11
Ag Supply & Demand*	Sept. 14
Tobacco	Sept. 15
Dairy	Sept. 17
World Agriculture	Sept. 18
Rice	Sept. 22
Aquaculture	Sept. 25

All reports reviewed by the World Agricultural Outlook Board (WAOB). Copies of the full reports will be available a week to 10 days after the summary is released. Reports can be obtained by writing to: ERS Publications, Room 0054-South Building, USDA, Washington, D.C. 20250. *These reports, released by the WAOB, are issued in full on the date indicated.

Statistical Indicators

Summary Data

Key Statistical Indicators of the Food and Fiber Sector

	1980				1981				
	II	III	IV	Annual	I	II	III f	IV f	Annual f
Prices received by farmers (1977=100)	125	139	144	134	144	142	146	148	145
Livestock and products	134	148	149	144	143	143	154	157	149
Crops	116	130	139	125	145	141	138	138	141
Prices paid by farmers, (1977=100)									
prod. items	135	140	144	138	148	150	152	154	151
Prod. items, int., taxes, and wages	137	141	144	140	150	151	153	155	152
Farm income ¹									
Cash receipts (\$ bil.)	132	139	142	136	143	146	151-155	145-150	145-149
Livestock (\$ bil.)	64	69	70	67	70	69	72-75	71-75	70-74
Crops (\$ bil.)	68	70	71	69	73	77	77-80	72-76	73-77
Total gross farm income (\$ bil.) ²	146	152	155	150	158	165	172-176	168-172	165-169
Production expenses (\$ bil.)	129	132	136	131	139	142	143-147	145-149	141-145
Net farm income (\$ bil.)	17	20	20	20	18	23	26-29	22-26	22-27
Net cash income (\$ bil.) ³	29	33	33	32	31	32	34-37	28-32	30-34
Market basket (1967=100)									
Retail cost	233.7	242.7	249.2	238.8	253.9	255.3	262	266	258-262
Farm value	226.7	253.9	255.7	240.3	249.2	248.5	258	262	262-260
Spread	237.8	236.2	245.3	238.0	256.7	260.4	264	270	262-266
Farm value/retail cost (%)	36	38	38	37	36	36	37	36	36-37
Retail prices (1967=100)									
Food	250.5	258.2	264.4	254.6	270.5	273.0	280	285	275-280
At home	246.6	255.6	262.0	251.5	267.2	268.4	275	280	272-277
Away-from home	264.7	269.6	275.4	267.0	283.9	289.4	296	301	291-294
Agricultural exports (\$ bil.) ⁴	9.7	9.5	11.7	40.5	12.6	10.5	10.7	13.0	46.0
Agricultural imports (\$ bil.) ⁴	4.3	4.0	4.5	17.3	4.7	4.3	4.0	4.6	18.0
Livestock and products									
Total livestock and products (1974=100)	112.0	108.7	110.9	109.6	109.8	113.5	110.5	109.3	110.8
Beef (mil. lb.)	5,251	5,384	5,586	21,470	5,553	5,428	5,625	5,500	22,106
Pork (mil. lb.)	4,299	3,756	4,251	16,431	4,073	3,879	3,500	3,850	15,302
Veal (mil. lb.)	89	95	104	379	100	94	100	105	399
Lamb and mutton (mil. lb.)	77	72	81	310	85	77	77	80	319
Red meats (mil. lb.)	9,716	9,307	10,022	38,590	9,811	9,478	9,302	9,535	38,126
Broilers (mil. lb.)	2,923	2,759	2,685	11,089	2,814	3,090	2,950	2,800	11,634
Turkeys (mil. lb.)	523	705	701	2,303	393	555	710	730	2,388
Total meats and poultry (mil. lb.)	13,162	12,771	13,408	51,982	13,018	13,123	13,033	13,088	52,262
Eggs (mil. dz.)	1,425	1,432	1,483	5,806	1,449	1,425	1,430	1,480	5,764
Milk (bil. lb.)	34.0	32.2	31.0	128.4	32.3	35.4	32.8	31.0	131.5
Choice steers, Omaha (\$/cwt.)	64.65	71.15	65.51	67.05	61.99	66.68	66-69	67-71	65-67
Barrows and gilts, 7 markets (\$/cwt.)	31.18	46.23	46.44	40.04	41.13	43.63	48-51	48-52	45-47
Broilers, 9-city wholesale (cts./lb.)	41.1	53.3	49.9	46.8	49.3	46.00	49-51	49-51	47-49
Turkeys, N.Y., wholesale (cts./lb.)	54.3	68.3	73.0	63.6	61.3	63.5	66-69	71-75	55-67
Eggs, Gr. A large, N.Y. (cts./dz.)	57.0	70.3	76.9	66.6	72.6	69.1	72-74	74-77	72-74
Milk, all at farm (\$/cwt.)	12.60	12.87	13.93	13.00	13.97	13.50	13.50-13.75	14.50-15.50	13.90-14.30

¹ Quarterly cash receipts and expenses are seasonally adjusted at annual rates. ² Includes net change in farm inventories. ³ Excludes inventory adjustment and non-cash income and expenses. Represents cash available for capital expenditures and operator income. ⁴ Annual data are based on Oct.-Sept. fiscal years ending with the indicated year. f = forecast. p = Preliminary.

Farm Income

Gross and net farm income

	Annual									
	1971	1972	1973	1974	1975	1976	1977 r	1978 r	1979 r	1980
	\$ Bil.									
Cash receipts from farm marketings . . .	52.9	61.2	87.1	92.4	88.2	94.8	95.3	112.9	131.9	136.4
Livestock and products	30.6	35.7	45.8	41.4	43.1	46.1	47.6	59.2	68.5	67.4
Meat animals	19.5	24.0	30.4	25.2	25.8	27.0	27.9	37.5	43.9	40.6
Dairy products	6.8	7.1	8.1	9.4	9.9	11.4	11.8	12.7	14.7	16.6
Poultry and eggs	4.0	4.2	6.9	6.3	6.8	7.2	7.2	8.1	8.9	9.1
Other	0.3	0.4	0.5	0.5	0.5	0.6	0.8	0.9	1.1	1.1
Crops	22.3	25.6	41.1	61.1	45.2	48.7	48.7	53.7	63.4	69.0
Food grains	2.5	3.5	7.2	8.5	7.8	6.8	6.1	5.8	9.0	10.5
Feed crops	5.5	5.9	10.6	14.0	12.2	13.1	11.9	11.4	14.0	16.8
Cotton (lint and seed)	1.5	1.8	2.8	2.9	2.3	3.5	3.5	3.5	4.3	4.5
Tobacco	1.3	1.4	1.6	2.1	2.2	2.3	2.3	2.6	2.3	2.7
Oil-bearing crops	3.8	4.4	7.6	10.0	7.3	9.4	9.7	13.0	14.4	14.5
Vegetables and melons	3.0	3.3	4.4	5.3	5.4	5.2	6.6	5.9	6.6	6.8
Fruits and tree nuts	2.3	2.6	3.4	3.4	3.5	3.6	4.6	5.8	6.4	6.5
Other	2.3	2.6	3.6	4.9	4.6	4.6	4.9	6.6	6.3	6.7
Net change in farm inventories	1.4	0.9	3.4	-1.6	3.4	-2.4	1.0	.6	5.3	-2.0
Nonmoney and other farm income ¹ . . .	7.7	8.9	8.4	7.5	8.7	9.4	11.4	14.0	14.6	16.1
Gross farm income	62.0	71.0	98.9	98.3	100.3	101.8	108.7	127.5	151.9	150.5
Farm production expenses	47.4	52.3	65.6	72.2	75.9	83.1	90.3	101.1	119.2	130.7
Net farm income										
Current prices	14.6	18.7	33.3	26.1	24.5	18.7	18.4	26.5	32.7	19.9
1967 prices ²	12.1	14.9	25.1	17.7	15.2	11.0	10.1	13.6	15.0	8.1

¹ Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreations, machine hire, and custom work. ² Deflated by the consumer price index for all items, 1967=100. ³ Less than \$.05 bil. Totals may not add due to rounding. P=Preliminary. r=revised.

Cash receipts from farming

	1980							1981						
	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	
	\$ Mil.													
Farm marketings and CCC loans ¹	10,337	11,531	11,339	11,836	15,790	14,143	13,344	13,323	10,130	10,141	8,570	9,687	11,521	
Livestock and Products	5,373	5,672	5,802	5,470	7,072	5,981	6,005	6,344	5,469	5,973	5,527	6,679	5,802	
Meat animals	3,234	3,337	3,615	3,151	4,697	3,628	3,594	3,782	3,284	3,409	3,019	3,241	3,308	
Dairy products	1,366	1,374	1,369	1,325	1,389	1,368	1,448	1,501	1,411	1,566	1,570	1,608	1,547	
Poultry and eggs	693	887	743	915	909	916	895	984	699	911	846	735	845	
Other	80	74	75	79	77	69	68	77	75	87	92	95	102	
Crops	4,964	5,859	5,537	6,366	8,718	8,162	7,339	8,979	4,661	4,168	3,043	4,008	5,719	
Food grains	1,305	1,733	1,002	1,042	1,127	865	980	950	744	510	391	403	1,790	
Feed crops	1,289	1,464	1,549	1,463	1,438	2,155	2,058	2,256	1,065	1,006	163	765	1,183	
Cotton (lint and seed)	131	144	232	433	489	1,020	865	575	437	165	12	8	8	
Tobacco	0	83	457	547	405	276	539	255	81	7	34	9	0	
Oil-bearing crops	615	995	834	914	3,182	1,729	1,209	1,557	1,052	954	751	914	832	
Vegetables and melons	591	578	635	818	811	474	411	538	495	606	730	951	770	
Fruits and tree nuts	506	480	466	648	736	761	588	404	365	378	316	438	783	
Other	327	392	362	501	530	882	689	444	422	542	646	519	353	
Government payments	30	27	53	91	162	213	293	239	174	106	101	59	49	
Total cash receipts ²	10,367	11,558	11,392	11,927	16,952	14,356	13,637	13,562	10,304	10,247	8,671	9,746	11,570	

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm marketing indexes (physical volume)

	Annual			1980		1981				
	1978	1979	1980	June	Jan	Feb	Mar	Apr	May	June
	1967=100									
All commodities	124	127	133	124	154	118	123	86	98	122
Livestock and products	112	110	113	112	124	106	119	108	111	112
Crop	140	151	161	141	196	136	129	54	80	136

Cash receipts¹ from farm marketings, by States, January-June

State	Livestock and Products		Crops ²		Total ³	
	1980	1981	1980	1981	1980	1981
	\$MIL.					
NORTH ATLANTIC						
Maine	136.7	155.0	65.4	154.9	202.1	309.9
New Hampshire	35.6	38.4	13.0	12.4	48.6	50.8
Vermont	172.5	183.2	13.4	13.3	185.9	196.4
Massachusetts	59.6	67.2	77.0	80.8	136.7	147.9
Rhode Island	6.6	5.0	7.9	8.3	14.5	13.3
Connecticut	80.9	92.3	66.4	75.2	146.3	167.6
New York	829.9	916.8	264.3	319.6	1,094.2	1,236.4
New Jersey	58.8	67.5	109.6	104.1	168.3	171.6
Pennsylvania	936.5	1,063.0	331.8	345.4	1,268.3	1,408.6
NORTH CENTRAL						
Ohio	657.3	742.3	909.0	1,112.6	1,566.3	1,854.8
Indiana	776.0	890.2	1,065.9	1,197.7	1,841.9	2,087.9
Illinois	1,059.0	1,204.5	2,682.8	2,587.8	3,741.8	3,792.2
Michigan	537.0	589.6	480.4	565.2	1,017.4	1,154.8
Wisconsin	1,849.3	1,946.5	321.0	390.3	2,170.3	2,336.8
Minnesota	1,583.9	1,770.5	1,203.0	1,217.1	2,786.9	2,987.7
Iowa	2,643.0	2,897.6	1,913.4	2,237.8	4,556.4	6,135.4
Missouri	1,048.1	1,145.4	735.9	705.8	1,784.0	1,851.2
North Dakota	400.8	393.8	773.8	579.4	1,174.6	973.2
South Dakota	958.6	982.4	331.2	282.2	1,289.8	1,264.6
Nebraska	1,566.3	1,646.4	1,044.9	764.5	2,611.2	2,410.9
Kansas	1,854.9	1,828.2	883.8	916.3	2,738.7	2,744.5
SOUTHERN						
Delaware	106.7	112.9	30.0	27.8	136.6	140.7
Maryland	293.3	347.3	114.0	125.4	407.4	472.7
Virginia	416.0	464.9	154.8	153.1	569.8	618.0
West Virginia	76.2	83.8	21.7	19.2	98.0	103.0
North Carolina	644.0	776.6	317.8	388.7	961.8	1,165.4
South Carolina	191.7	211.8	225.4	200.6	417.1	412.3
Georgia	693.8	806.7	333.9	338.3	1,027.8	1,144.9
Florida	460.0	488.2	2,017.8	2,291.0	2,477.9	2,779.2
Kentucky	623.0	647.9	513.9	507.5	1,136.9	1,155.4
Tennessee	412.0	446.1	235.3	253.4	647.3	699.4
Alabama	518.1	605.8	192.0	195.1	710.1	800.9
Mississippi	410.3	450.0	374.4	337.6	784.6	787.5
Arkansas	669.8	770.8	521.6	537.8	1,191.3	1,308.6
Louisiana	199.2	214.9	342.4	380.3	541.6	595.2
Oklahoma	1,070.6	1,263.2	507.5	485.8	1,578.1	1,748.9
Texas	2,389.6	2,468.3	1,685.2	1,692.4	4,074.7	4,150.7
WESTERN						
Montana	286.9	319.3	272.0	283.3	658.9	602.6
Idaho	389.7	407.3	391.5	835.1	781.2	1,342.4
Wyoming	226.0	214.2	30.1	37.8	256.1	252.0
Colorado	1,099.5	1,089.5	304.8	436.0	1,404.3	1,525.5
New Mexico	510.3	437.0	90.6	75.0	600.9	512.0
Arizona	411.4	403.6	460.1	485.0	871.5	888.6
Utah	181.0	182.2	47.9	54.7	228.9	236.9
Nevada	64.2	61.8	32.2	33.2	96.4	94.9
Washington	399.2	453.5	726.5	800.8	1,125.7	1,254.2
Oregon	260.0	279.5	363.0	445.5	623.0	726.1
California	1,977.0	2,125.3	3,088.5	3,308.7	5,065.5	5,434.0
Alaska	2.1	2.2	2.0	2.0	4.2	4.3
Hawaii	41.6	42.6	177.0	177.0	218.5	219.6
UNITED STATES	32,273.5	34,793.0	26,866.7	28,578.7	59,140.3	63,371.2

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual		1980	1981						
	1978	1979	1980	July	Feb	Mar	Apr	May	June	July p
1977=100										
Prices Received										
All farm products	115	132	134	135	144	143	143	142	142	141
All crops	106	116	125	125	144	146	143	143	137	136
Food grains	122	147	165 ¹	161	179	177	177	171	160	154
Feed grains and hay	101	114	132	134	156	156	156	156	151	149
Feed grains	104	117	135	137	160	161	161	160	156	165
Cotton	91	96	118	124	118	119	121	119	117	119
Tobacco	109	118	125	116	133	133	134	134	134	141
Oil-bearing crops	93	103	102	101	121	122	122	120	116	116
Fruit	148	144	127	126	112	124	120	138	127	109
Fresh market ¹	157	151	129	128	110	124	120	142	132	109
Commercial vegetables	105	110	113	105	160	157	133	130	119	128
Fresh market	106	109	110	100	166	176	135	132	116	127
Potatoes ²	104	92	128	154	195	207	215	208	218	227
Livestock and products	124	147	144	144	144	141	143	141	146	146
Meat animals	134	166	156	159	150	146	151	150	158	156
Dairy products	109	124	135	130	144	142	140	139	138	138
Poultry and eggs	106	111	112	113	121	118	116	111	114	118
Prices paid										
Commodities and services										
Interest, taxes, and wage rates	108	123	139	139	148	149	150	150	151	151
Production items	109	125	140	137	147	148	150	150	150	149
Feed	98	110	123	119	141	139	140	141	139	137
Feeder livestock	140	185	177	171	170	169	172	165	165	159
Seed	105	110	118	120	121	121	144	144	144	144
Fertilizer	100	108	134	137	136	145	145	147	147	147
Agricultural chemicals	94	96	102	104	104	109	109	113	113	113
Fuels & energy	105	137	188	192	211	216	217	216	214	214
Farm & motor supplies	104	115	134	136	143	143	145	146	146	147
Autos & trucks	106	117	123	122	135	136	137	143	144	145
Tractors & self-propelled machinery	109	122	136	137	142	146	146	146	155	156
Other machinery	108	119	132	135	137	143	143	143	148	148
Building & fencing	108	118	128	127	132	132	133	133	134	134
Farm services & cash rent	107	117	129	129	142	142	142	142	142	142
Interest payable per acre on farm real estate debt	118	144	179	179	195	195	195	196	195	196
Taxes on farm real estate	100	107	114	114	119	119	119	119	119	119
Wage rates (seasonally adjusted)	107	117	127	128	140	140	136	135	135	136
Production items, interest, taxes, and wage rates	109	125	140	139	149	150	151	151	152	151
Prices received (1910-14=100)	526	602	615	617	657	655	663	650	649	643
Prices paid, etc. (Parity index) (1910-14=100)	747	850	955	955	1,020	1,026	1,033	1,035	1,039	1,038
Parity ratio ³	70	71	64	65	65	64	63	63	62	62

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wage rates. P preliminary.

Prices received by farmers, U.S. average

	Annual*		1980		1981					
	1978	1979	1980	July	Feb	Mar	Apr	May	June	July p
Crops										
All wheat (\$/bu.)	2.82	3.51	3.88	3.81	4.17	4.09	4.07	3.95	3.70	3.55
Rice, rough (\$/cwt.)	9.29	9.05	11.07	10.80	13.00	13.40	13.80	13.30	11.90	11.70
Corn (\$/bu.)	2.10	2.36	2.70	2.73	3.22	3.25	3.24	3.24	3.17	3.17
Sorghum (\$/cwt.)	3.43	3.91	4.67	4.95	5.33	5.17	5.25	5.12	4.95	4.98
All hay, baled (\$/ton)	49.87	56.20	66.72	66.50	74.00	71.60	72.70	77.60	69.80	65.70
Soybeans (\$/bu.)	6.28	6.86	6.75	6.75	7.50	7.59	7.60	7.42	7.10	7.11
Cotton, Upland (cts./lb.)	55.2	58.0	71.3	74.9	71.4	72.3	73.2	72.3	71.1	72.1
Potatoes (\$/cwt.)	3.87	3.16	4.78	5.91	7.88	8.33	8.53	7.91	8.36	8.88
Dry edible beans (\$/cwt.)	18.56	19.57	24.83	25.80	28.30	30.00	31.30	34.50	36.80	36.30
Apples for fresh use (cts./lb.)	16.1	14.2	17.1	23.7	12.8	12.6	11.7	10.5	10.5	10.4
Pears for fresh use (\$/ton)	267	276	325	278	255	290	327	370	395	179
Oranges, all uses (\$/box) ¹	4.70	3.34	3.26	2.70	2.46	3.59	3.28	4.94	4.93	3.22
Grapefruit, all uses (\$/box) ¹	2.35	2.97	2.73	1.36	3.30	3.42	3.97	4.07	2.81	2.91
Livestock										
Beef cattle (\$/cwt.)	48.50	66.10	62.40	63.20	58.70	57.60	60.30	59.00	60.80	58.30
Calves (\$/cwt.)	59.10	88.70	76.80	75.40	70.50	69.80	70.70	68.80	66.20	64.80
Hogs (\$/cwt.)	46.60	41.80	38.00	41.20	41.30	38.80	39.00	40.90	47.40	49.60
Lambs (\$/cwt.)	62.80	66.70	63.60	65.30	54.80	56.60	58.00	62.50	65.00	61.50
All milk, sold to plants (\$/cwt.)	10.60	12.00	13.00	12.60	14.00	13.80	13.60	13.50	13.40	13.40
Milk, manuf. grade (\$/cwt.)	9.65	11.10	12.00	11.60	12.90	12.90	12.70	12.70	12.50	12.40
Broilers (cts./lb.)	26.3	25.9	27.7	32.0	30.4	29.7	26.8	28.2	29.2	30.4
Eggs (cts./doz.) ²	52.2	58.3	56.3	51.1	62.6	60.8	64.4	56.3	57.1	58.4
Turkeys (cts./lb.)	43.6	41.1	41.3	38.4	38.9	40.3	38.4	39.0	41.4	42.7
Wool (cts./lb.) ³	74.5	86.3	88.1	85.8	92.8	93.1	99.7	103.0	106.0	102.0

¹ Equivalent on-tree returns. ² Average of all eggs sold by farmers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. *Calendar year averages. p Preliminary.

Producer and Consumer Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1980				1981				
	1980	June	Nov	Dec	Jan	Feb	Mar	Apr	May	June
1967=100										
Consumer price index, all items	246.8	247.6	256.2	258.4	260.5	263.2	265.1	266.8	269.0	271.3
Consumer Price index, less food	244.0	245.5	253.2	255.5	257.6	260.4	262.3	264.2	267.0	269.5
All food	254.6	252.0	264.5	266.4	268.6	270.8	272.2	272.9	272.5	273.6
Food away from home	267.0	266.6	275.3	277.7	280.9	284.7	286.1	288.2	289.3	290.6
Food at home	251.5	248.0	262.1	263.9	265.6	267.3	268.6	268.7	267.7	268.7
Meats ¹	248.8	238.1	261.1	260.0	259.7	256.4	254.4	251.0	252.3	254.2
Beef and veal	270.3	263.8	277.9	275.3	275.3	272.3	270.3	267.4	270.3	271.1
Pork	209.1	190.4	228.6	229.1	228.2	223.6	221.6	217.4	217.3	221.2
Poultry	190.8	177.9	204.1	202.7	202.4	203.7	201.6	196.8	194.7	196.8
Fish	330.2	329.1	343.0	346.9	358.0	355.0	358.8	359.7	353.2	352.1
Eggs	169.7	147.9	185.2	206.6	190.2	188.2	180.5	194.3	170.5	172.1
Dairy products ²	227.4	227.2	235.4	238.0	240.1	242.1	242.6	243.5	243.8	243.8
Fats and oils ³	241.2	240.0	247.4	251.9	260.4	267.3	268.9	270.1	270.7	269.6
Fruits and vegetables	246.7	250.1	253.3	255.6	257.6	267.3	278.2	281.9	276.8	278.1
Fresh	252.6	260.0	258.3	262.0	263.9	278.1	293.9	296.4	284.4	285.2
Processed	242.5	241.1	250.1	250.9	253.0	257.8	263.3	268.5	270.9	272.8
Cereals and bakery products	246.4	245.9	255.8	258.5	262.9	265.3	266.7	268.3	270.0	271.5
Sugar and sweets	341.3	342.0	381.3	386.3	385.4	385.4	383.2	375.8	367.1	361.3
Beverages, nonalcoholic	395.8	395.9	405.5	405.2	409.7	411.9	412.2	414.4	412.3	412.8
Apparel commodities less footwear	167.8	166.4	173.9	172.5	168.9	169.6	172.7	174.0	173.3	172.5
Footwear	190.3	189.0	196.5	196.6	194.9	194.9	197.4	199.3	201.0	200.4
Tobacco products	202.6	203.4	207.3	210.8	211.9	212.3	212.5	213.3	218.2	219.1
Beverages, alcoholic	186.3	186.4	190.9	191.6	193.7	195.9	197.1	197.8	199.1	199.8

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1980	1981					
	1978	1979	1980 p	June	Jan	Feb	Mar	Apr	May	June
	1967=100									
Finished goods ¹	194.6	216.1	246.8	244.9	260.4	263.3	265.3	267.7	268.9	269.9
Consumer foods	206.8	226.3	239.4	233.0	251.2	251.3	251.8	251.5	252.0	253.1
Fresh fruit	213.5	232.6	237.4	224.1	203.3	211.6	217.0	221.3	227.7	209.4
Fresh and dried vegetables	200.1	201.0	219.0	221.3	282.5	298.6	332.3	317.0	291.2	279.1
Eggs	158.6	176.5	171.0	146.8	185.7	184.8	180.4	196.2	165.0	174.6
Bakery products	201.3	221.7	247.7	246.5	261.3	262.7	262.9	264.1	265.4	266.8
Meats	209.6	240.6	235.8	221.1	241.3	234.5	231.6	234.5	235.8	239.7
Beef and veal	202.2	252.2	260.2	257.2	254.7	246.1	243.8	244.6	251.9	251.8
Pork	219.1	205.0	196.7	169.6	214.8	208.7	204.0	200.3	203.8	214.4
Poultry	194.0	168.6	193.3	165.3	203.2	209.6	205.3	188.1	197.5	199.9
Fish	313.0	383.8	371.0	354.5	373.0	371.5	382.0	387.1	386.4	386.6
Dairy products	188.4	211.2	230.7	229.5	245.2	245.5	245.5	245.8	245.0	245.6
Processed fruits and vegetables	202.6	221.9	228.9	227.2	237.4	244.1	251.8	258.7	260.1	263.3
Refined sugar ²	108.3	116.3	214.4	227.3	230.2	214.0	181.2	166.6	149.6	152.0
Vegetable oil and products	209.4	223.6	233.2	228.8	235.0	240.7	240.7	241.6	238.6	236.6
Consumer finished goods less foods	183.7	208.2	247.9	250.9	260.9	267.3	271.7	275.1	276.1	277.0
Beverages, alcoholic	148.2	161.4	175.6	174.4	181.7	185.2	186.4	188.1	188.9	189.5
Soft drinks	211.6	227.1	259.1	269.8	289.5	290.8	290.8	290.8	294.6	295.7
Apparel	162.4	160.4	172.2	172.7	178.6	179.3	180.1	182.1	182.4	185.0
Footwear	183.0	218.0	233.2	231.9	238.6	240.8	240.5	241.1	241.1	241.0
Tobacco products	198.6	217.7	245.5	248.1	254.3	255.3	255.4	268.4	268.4	268.4
Intermediate materials ³	215.5	242.8	280.2	278.8	296.2	298.3	301.4	305.4	306.6	307.1
Materials for food manufacturing	202.3	223.6	263.7	259.7	281.0	273.2	267.9	264.0	260.3	263.9
Flour	141.6	172.0	187.6	181.3	197.9	196.1	193.2	195.3	194.3	193.8
Refined sugar ⁵	109.3	119.3	210.5	223.2	225.4	219.4	200.4	188.1	171.7	181.9
Crude vegetable oils	219.2	243.7	202.6	180.1	199.8	187.5	191.2	193.6	167.0	186.4
Crude materials ⁴	240.1	282.2	304.2	288.4	328.0	336.5	333.0	335.2	333.2	334.3
Foodstuffs and feedstuffs	215.3	247.2	259.1	243.0	270.7	267.1	262.0	263.4	260.6	264.2
Fruits and vegetables ²	216.5	229.0	238.5	233.5	257.7	270.4	291.6	285.2	273.9	258.6
Grains	182.6	214.8	239.0	215.3	277.7	267.4	261.8	264.7	257.7	267.1
Livestock	220.1	260.3	262.7	240.0	244.3	244.6	239.3	246.6	251.8	263.0
Poultry, live	199.8	194.3	202.1	166.6	213.1	220.8	213.5	195.4	207.2	210.0
Fibers, plant and animal	193.4	209.9	271.1	247.0	284.1	268.4	270.1	274.2	258.3	259.6
Milk	219.7	250.1	271.2	265.5	287.2	289.5	289.5	287.2	263.6	285.0
Oilseeds	224.1	245.5	249.2	214.0	316.7	296.4	294.2	302.4	301.3	291.2
Coffee, green	378.2	416.2	430.3	469.2	409.1	403.0	402.5	401.1	305.2	266.7
Tobacco, leaf	191.5	207.7	n.a.	458.0	234.3	234.3	n.a.	235.0	235.7	235.7
Sugar, raw cane	190.2	209.8	413.0	401.3	416.8	366.1	318.0	274.9	224.2	262.6
All commodities	209.3	235.6	268.6	265.6	284.6	287.6	289.6	292.8	293.7	294.6
Industrial commodities	209.4	236.6	274.5	273.5	291.2	295.7	298.9	302.8	304.1	304.7
All foods ⁷	206.5	266.3	244.5	237.7	255.1	253.9	253.2	251.6	250.3	252.2
Farm products and processed foods and feeds	206.6	229.8	244.6	234.3	258.0	255.1	253.1	253.6	252.6	254.1
Farm products	212.5	241.4	249.3	233.4	264.5	262.4	260.6	263.2	259.5	260.3
Processed foods and feeds	202.6	222.5	241.0	233.9	263.4	250.2	248.1	247.4	248.0	249.7
Cereal and bakery products	190.3	210.3	235.9	233.2	251.1	252.1	251.9	253.5	255.1	256.0
Sugar and confectionery	197.8	214.7	321.2	326.4	344.6	323.2	302.6	286.0	265.3	277.6
Beverages	200.0	210.7	232.4	234.3	243.0	244.8	242.8	243.4	245.0	245.5

¹ Commodities ready for sale to ultimate consumer. ² Fresh and dried. ³ Consumer size packages, Dec. 1977=100. ⁴ Commodities requiring further processing to become finished goods. ⁵ For use in food manufacturing. ⁶ Products entering market for the first time which have not been manufactured at that point. ⁷ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a. = not available.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1980 p	1981					
	1978	1979	1980p	June	Jan	Feb	Mar	Apr	May	June
Market basket:¹										
Retail cost (1967=100)	199.4	222.7	238.8	234.8	252.4	254.0	255.4	255.3	254.7	255.9
Farm value (1967=100)	205.6	228.1	240.3	231.6	250.5	248.8	248.4	242.1	246.3	251.1
Farm-retail spread (1967=100)	195.7	219.6	238.0	236.6	253.5	257.0	259.5	263.0	259.6	258.7
Farm value/retail cost (%)	38.2	37.9	37.2	36.5	36.7	36.2	36.0	35.1	35.8	36.3
Meat products:										
Retail cost (1967=100)	206.8	241.9	248.8	238.1	259.7	256.4	254.4	251.0	252.3	254.2
Farm value (1967=100)	206.4	234.6	234.0	217.4	233.4	226.5	225.5	219.4	235.1	242.3
Farm-retail spread (1967=100)	207.3	250.4	266.1	262.3	290.5	291.4	288.3	288.0	272.4	268.1
Farm value/retail cost (%)	53.8	52.3	50.7	49.3	48.5	47.6	47.8	47.2	50.3	51.4
Dairy products:										
Retail cost (1967=100)	185.5	207.0	227.4	227.2	240.1	242.1	242.6	243.5	243.8	243.8
Farm value (1967=100)	204.7	234.0	254.9	256.1	272.0	271.8	271.6	271.6	270.9	273.5
Farm-retail spread (1967=100)	168.8	183.6	203.5	202.0	212.3	216.2	217.3	219.0	220.2	217.9
Farm value/retail cost (%)	51.4	52.6	52.2	52.5	52.7	52.3	52.1	51.9	51.7	52.2
Poultry:										
Retail cost (1967=100)	172.9	181.5	190.8	177.9	202.4	203.7	201.6	196.8	194.7	196.8
Farm value (1967=100)	202.1	199.4	211.7	189.2	228.1	229.1	225.0	204.1	214.0	222.2
Farm-retail spread (1967=100)	144.7	164.2	170.5	170.0	177.5	179.1	178.9	189.7	176.0	172.2
Farm value/retail cost (%)	57.5	54.0	54.6	52.3	55.4	55.3	54.9	51.0	64.1	55.5
Eggs:										
Retail cost (1967=100)	157.8	172.8	169.7	147.9	190.2	188.2	180.5	184.3	170.5	172.1
Farm value (1967=100)	178.9	199.2	190.9	156.0	208.8	212.7	203.5	217.2	182.2	201.7
Farm-retail spread (1967=100)	127.3	134.6	139.2	136.2	163.3	152.8	146.7	136.7	153.6	129.3
Farm value/retail cost (%)	67.0	68.1	66.5	63.3	64.9	66.8	66.8	69.7	63.2	69.3
Cereal and bakery products:										
Retail cost (1967=100)	199.9	220.2	246.4	245.9	262.9	265.3	266.7	268.3	270.0	271.5
Farm value (1967=100)	163.9	189.9	221.1	218.4	238.4	236.9	234.5	227.8	221.7	215.5
Farm-retail spread (1967=100)	207.3	226.3	251.7	251.6	268.0	271.2	273.4	276.7	280.0	283.1
Farm value/retail cost (%)	14.1	14.8	15.4	15.2	15.6	15.3	15.1	14.6	14.1	13.6
Fresh fruits:										
Retail cost (1967=100)	230.1	258.5	271.8	282.9	250.4	260.6	269.4	276.3	282.3	286.0
Farm value (1967=100)	237.9	237.6	242.7	284.2	179.8	205.5	197.8	196.7	188.9	216.5
Farm-retail spread (1967=100)	226.6	267.9	284.8	282.3	282.1	285.4	301.6	312.0	324.2	317.2
Farm value/retail cost (%)	32.0	28.5	27.7	31.1	22.2	24.4	22.7	22.1	20.7	23.4
Fresh vegetables:										
Retail costs (1967=100)	216.2	222.5	242.2	247.0	281.1	298.0	320.8	319.6	291.7	291.1
Farm value (1967=100)	215.7	204.3	215.8	226.0	284.0	324.0	357.2	325.8	293.9	270.8
Farm-retail spread (1967=100)	216.5	231.1	254.7	256.9	279.7	285.8	303.7	316.7	290.6	300.6
Farm value/retail cost (%)	31.9	29.4	28.5	29.2	32.3	34.8	35.6	32.6	32.2	29.8
Processed fruits and vegetables:										
Retail cost (1967=100)	208.7	226.6	242.5	241.4	253.0	257.8	263.3	268.5	270.9	272.8
Farm value (1967=100)	221.9	235.3	242.6	237.8	263.8	264.4	272.4	285.1	306.4	312.0
Farm-retail spread (1967=100)	205.8	224.7	242.4	242.2	250.6	256.4	261.3	264.8	263.0	264.1
Farm value/retail costs (%)	19.3	18.8	18.1	17.8	18.9	18.5	18.8	19.2	20.5	20.7
Fats and oils:										
Retail cost (1967=100)	209.6	226.3	241.2	240.0	260.4	267.3	268.9	270.1	270.7	269.6
Farm value (1967=100)	257.4	278.0	249.9	231.6	293.3	288.1	299.2	291.6	286.6	275.8
Farm-retail spread (1967=100)	191.1	206.4	237.8	243.3	247.7	259.3	257.3	261.8	264.6	267.3
Farm value/retail cost (%)	34.1	34.1	28.8	26.8	31.3	29.9	30.9	30.0	29.4	28.4

¹ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Farm-retail price spreads

	Annual			1980		1981				
	1978	1979	1980	June	Jan	Feb	Mar	Apr	May p	June p
Beef, Choice:										
Retail price ¹ (cts./lb.)	181.9	226.3	237.6	230.6	239.5	237.5	235.6	230.9	233.5	236.0
Net carcass value ² (cts.)	119.3	150.5	155.4	156.4	150.5	144.6	141.2	146.7	155.2	158.4
Net farm value ³ (cts.)	111.1	140.8	145.0	146.1	138.0	133.9	130.6	137.9	145.6	149.0
Farm-retail spread (cts.)	70.8	85.5	92.6	84.5	101.5	103.6	105.0	93.0	87.9	87.0
Carcass-retail spread ⁴ (cts.)	62.6	75.8	82.2	74.2	89.0	92.9	94.4	84.2	78.3	77.6
Farm-carcass spread ⁵ (cts.)	8.2	9.7	10.4	10.3	12.5	10.7	10.6	8.8	9.6	9.4
Farm value/retail price (%)	61	62	61	64	58	56	55	60	62	63
Pork:¹										
Retail price ¹ (cts./lb.)	143.6	144.1	139.4	124.4	151.6	148.4	146.2	142.7	141.9	143.8
Wholesale value ² (cts.)	107.7	100.4	98.0	87.6	104.1	104.6	101.6	101.2	101.5	109.5
Net farm value ³ (cts.)	76.6	66.6	63.2	55.5	65.6	67.3	62.6	62.8	66.3	77.5
Farm-retail spread (cts.)	67.0	77.5	76.2	68.9	85.9	81.1	83.6	79.9	75.6	66.3
Wholesale-retail spread ⁴ (cts.)	35.9	43.7	41.4	36.8	47.4	43.8	44.6	41.5	40.4	34.3
Farm-wholesale spread ⁵ (cts.)	31.8	33.8	34.8	32.1	38.5	37.3	39.0	38.4	35.2	32.0
Farm value/retail price (%)	53	46	45	45	43	45	43	44	47	54

¹ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from USDA's meat price survey. ² Value of carcass quantity equivalent to 1 lb. of retail cuts-beef adjusted for value of fat and bone byproducts. ³ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing and transportation to city where consumed. p Preliminary.

Price indexes of food marketing costs¹

	Annual			1980				1981	
	1978	1979	1980	I	II	III	IV ²	I	II
				1967=100					
Labor-hourly earnings and benefits . . .	244.4	265.8	292.6	281.5	288.1	295.9	304.9	315.1	320.9
Processing	237.2	257.9	283.3	274.9	281.2	285.5	291.6	301.8	308.0
Wholesaling	239.4	260.4	283.5	276.7	281.0	284.9	293.7	302.6	309.9
Retailing	253.8	276.1	306.4	292.6	298.3	311.2	323.2	333.9	338.6
Intermediate supplies and services . . .	212.7	240.3	281.1	269.1	279.3	284.6	291.2	303.6	313.7
Packaging and containers	204.7	228.4	261.5	253.2	264.1	262.5	265.7	273.2	281.4
Paperboard boxes and containers . .	179.3	202.1	234.7	227.3	235.5	235.8	241.6	254.6	260.8
Metal cans	260.8	293.0	325.7	309.2	331.5	331.5	330.6	337.9	341.7
Paper bags and related products . .	186.2	209.7	238.1	229.7	237.2	242.3	244.1	251.4	258.7
Plastic films and bottles	192.8	216.9	258.9	260.9	270.6	254.4	250.7	251.4	263.2
Glass containers	244.6	261.1	292.6	276.9	290.4	293.1	309.4	312.4	331.7
Metal foil	159.0	175.6	184.4	182.7	182.7	181.8	190.1	192.9	203.6
Transportation services	220.5	251.3	297.9	276.5	290.9	308.4	315.7	335.6	340.3
Advertising	179.2	197.4	214.5	209.0	213.3	216.5	219.3	227.7	233.0
Fuel and power	331.3	418.2	564.0	525.8	563.6	580.1	586.6	634.7	677.6
Electric	250.8	270.3	320.1	298.9	314.7	333.0	335.3	348.3	361.1
Petroleum	398.1	574.6	850.8	790.5	863.3	873.3	877.7	1,005.0	1,096.1
Natural gas	429.0	544.8	733.7	682.8	725.3	757.4	769.5	779.5	822.6
Communications, water and sewage . .	147.4	148.7	153.9	150.6	152.3	155.1	157.6	161.4	164.3
Rent	199.2	216.4	235.4	227.2	233.5	237.5	243.5	245.9	252.3
Maintenance and repair	226.4	249.7	277.1	266.6	275.3	280.1	286.8	294.1	302.0
Business services	195.2	211.0	231.9	223.7	229.9	235.3	238.7	244.0	252.6
Supplies	197.9	224.3	258.8	249.4	257.9	261.4	266.4	274.5	284.1
Property taxes and insurance	237.2	246.9	270.6	261.5	267.3	274.2	279.8	286.5	292.5
Interest, short-term	156.4	213.5	240.3	277.9	210.4	188.8	284.0	284.1	300.4
Total marketing cost index	227.0	252.2	286.2	274.6	283.2	289.6	297.3	308.8	316.9

¹ Indexes measure changes in employee wages and benefits and in prices of supplies and services used in processing, wholesaling, and retailing U.S. farm foods purchased for at-home consumption. ² Preliminary.

Livestock and Products

Dairy:

	Annual			1980	1981					
	1978	1979	1980	June	Jan	Feb	Mar	Apr	May	June
Milk production:										
Total milk (mil. lb.)	121,461	123,411	128,425	11,321	10,739	10,093	11,426	11,544	12,064	11,628
Milk per cow (lb.)	11,243	11,488	11,875	1,048	988	928	1,052	1,063	1,111	1,069
Number of milk cows (thou.)	10,803	10,743	10,815	10,800	10,874	10,874	10,862	10,865	10,862	10,880
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	9.67	10.91	11.88	11.68	12.64	12.66	12.57	12.64	12.61	12.59
Price of 16% dairy ration (\$/ton)	138	156	177	167	203	201	196	197	200	197
Milk-feed price ratio (lb.) ²	1.53	1.54	1.47	1.50	1.39	1.40	1.42	1.39	1.35	1.36
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	8,626	8,730	8,599	11,254	12,958	13,806	14,688	15,506	17,242	18,160
Commercial (mil. lb.)	4,916	4,475	5,419	6,287	5,762	6,016	6,181	6,016	6,085	6,026
Government (mil. lb.)	3,710	4,254	3,180	4,967	7,207	7,790	8,506	9,490	11,157	12,133
Imports, total equiv. (mil. lb.) ³	2,310	2,305	2,107	131	129	125	149	186	131	n.a.
USDA net removals:										
Total milk equiv. (mil. lb.) ³	2,743	2,119	8,800	1,483.2	1,384.7	1,451.0	1,449.5	1,659.6	1,705.8	1,438.8
Butter:										
Production (mil. lb.)	994.3	984.6	1,145.3	93.9	121.3	110.1	116.7	116.9	116.2	96.6
Stocks, beginning (mil. lb.)	184.9	206.9	177.8	281.7	304.6	332.1	372.3	407.4	450.4	473.6
Wholesale price, Grade A Ch. (cts./lb.)	109.8	122.4	139.3	139.0	147.2	147.2	147.2	147.2	147.3	147.5
USDA net removals (mil. lb.)	112.0	81.6	257.0	44.5	51.6	49.3	42.5	46.7	48.9	31.4
Commercial disappearance (mil. lb.)	903.5	895.0	878.8	59.4	66.3	49.5	74.2	71.1	70.5	n.a.
American cheese:										
Production (mil. lb.)	2,074.2	2,189.9	2,374.6	227.1	212.2	198.1	224.5	237.5	253.5	243.6
Stocks, beginning (mil. lb.)	422.1	378.8	406.6	451.2	591.5	622.6	636.6	644.9	726.7	766.1
Wholesale price, Wis. assembly pt. (cts./lb.)	107.1	123.8	133.0	130.9	139.3	139.2	138.8	139.2	138.8	138.8
USDA net removals (mil. lb.)	39.7	40.2	349.7	57.0	31.9	43.5	57.5	70.1	70.2	79.5
Commercial disappearance (mil. lb.)	2,064.7	2,113.1	2,023.9	156.7	162.8	153.9	185.7	165.8	187.9	n.a.
Other Cheese:										
Production (mil. lb.)	1,445.5	1,527.3	1,608.5	132.7	130.6	118.4	140.9	133.7	133.4	142.3
Stocks, beginning (mil. lb.)	64.0	78.4	105.6	105.8	99.3	97.0	87.7	89.7	92.5	94.2
Commercial disappearance (mil. lb.)	1,655.6	1,730.4	1,827.9	142.7	141.7	138.5	153.5	148.4	144.7	n.a.
Nonfat dry milk:										
Production (mil. lb.)	920.4	908.7	1,160.7	132.5	92.0	95.3	110.0	122.9	135.3	132.6
Stocks, beginning (mil. lb.)	677.9	585.1	485.2	507.7	586.8	579.0	599.4	633.0	645.3	693.1
Wholesale price, avg. manf. (cts./lb.)	71.4	80.0	88.7	88.8	93.8	93.6	93.7	93.9	93.9	93.9
USDA net removals (mil. lb.)	285.0	255.3	634.3	103.1	55.4	60.7	73.5	87.4	97.5	102.4
Commercial disappearance (mil. lb.)	658.4	603.1	538.9	33.2	41.6	22.5	32.9	30.6	22.5	n.a.
Frozen dessert production (mil. gal.)⁴	1,173.5	1,152.9	1,167.5	116.3	73.0	80.5	98.4	100.5	104.0	121.0

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Milk equivalent, fat-solids basis. ⁴ Ice cream, ice milk, and sherbert. n.a. = not available.

Wool:

	Annual			1980	1981					
	1978	1979	1980	June	Jan	Feb	Mar	Apr	May	June
U.S. wool price, Boston ¹ (cts./lb.)	189	218	245	233	253	268	274	278	278	283
Imported wool price, Boston ² (cts./lb.)	230	257	265	259	299	297	289	285	287	290
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	102,246	106,533	113,423	8,326	10,154	11,040	12,916	10,791	10,204	n.a.
Carpet wool (thou. lb.)	13,009	10,513	9,131	626	750	796	932	701	776	n.a.

¹ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 1/2" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1981 is 15.0 cents. Prior to January 1976 reported as: Australian 64's combing, excluding. n.a. not available.

Meat animals:

	Annual			1980	1981					
	1978	1979	1980	June	Jan	Feb	Mar	Apr	May	June
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	8,927	9,226	8,454	6,853	7,863	7,505	7,126	6,837	7,030	7,054
Placed on feed (thou. head) ²	22,593	19,877	18,320	1,445	1,277	1,190	1,368	1,721	1,619	1,313
Marketings (thou. head)	20,297	18,793	17,422	1,392	1,525	1,440	1,538	1,386	1,400	1,439
Other disappearance (thou. head)	1,997	1,856	1,489	113	110	129	119	142	195	82
Beef steer-corn price ratio, Omaha (bu.) ³	24.8	28.7	25.1	26.5	19.1	19.3	19.4	20.0	20.6	21.4
Hog-corn price ratio, Omaha (bu.) ³	22.9	18.1	14.6	13.8	12.5	13.3	12.4	11.7	12.9	15.2
Commercial slaughter (thou. head) ⁴										
Cattle	39,552	33,678	33,804	2,698	3,004	2,657	2,915	2,807	2,751	2,921
Steers	18,526	17,363	17,155	1,411	1,521	1,355	1,566	1,426	1,457	1,525
Heifers	11,758	9,725	9,593	769	827	770	786	796	740	813
Cows	8,470	5,923	6,332	457	598	478	503	519	489	515
Bulls and stags	798	639	724	81	58	54	61	66	65	69
Calves	4,170	2,824	2,589	181	238	209	239	212	182	200
Sheep and lambs	5,369	5,017	5,574	417	505	440	505	537	442	459
Hogs	77,315	89,099	96,076	7,618	8,132	7,188	8,337	8,324	7,298	6,963
Commercial production (mil. lb.)										
Beef	24,010	21,261	21,464	1,725	1,935	1,721	1,896	1,811	1,761	1,856
Veal	600	410	379	30	35	30	35	32	30	32
Lamb and mutton	300	284	310	22	30	26	29	29	24	24
Pork	13,209	15,270	16,432	1,312	1,416	1,234	1,423	1,424	1,254	1,254

Dol. per 100 pounds

Market Prices

Slaughter cattle:										
Choice steers, Omaha	52.34	67.75	66.96	66.29	63.08	61.50	81.40	64.92	66.86	68.26
Utility cows, Omaha	36.79	50.10	46.73	44.06	41.61	43.65	43.12	43.95	42.39	42.88
Choice vealers, S. St. Paul	69.24	91.41	75.53	72.00	77.38	78.00	80.88	83.90	84.25	82.88
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	58.78	83.08	75.23	72.25	72.58	70.40	68.80	68.94	65.79	66.12
Slaughter hogs:										
Barrows and gilts, 7-markets ⁴	48.49	42.06	40.04	35.17	41.42	42.43	39.54	39.79	42.06	49.04
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	48.16	35.26	30.14	22.24	31.50	36.86	36.33	39.33	36.10	37.88
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	65.33	68.45	66.64	69.00	67.50	57.75	56.75	63.20	65.38	67.76
Ewes, Good, San Angelo	28.97	32.82	24.68	22.00	30.50	34.12	34.00	26.70	21.81	23.12
Feeder lambs:										
Choice, San Angelo	75.61	77.53	68.36	65.38	61.75	62.25	69.00	61.30	60.69	62.92
Wholesale meat prices, Midwest ⁵										
Choice steer beef, 600-700 lb.	80.43	101.62	104.44	105.18	99.80	96.08	94.32	99.68	103.32	106.52
Canner and Cutlar cow beef	74.61	100.23	92.45	88.19	86.25	91.12	87.50	87.62	83.75	84.58
Pork loins, 8-14 lb.	95.99	91.35	84.87	79.80	97.50	96.36	91.12	86.84	94.16	102.31
Pork bellies 12-14 lb.	62.50	46.00	43.78	32.51	60.40	50.18	40.19	48.58	45.07	55.26
Hams, skinned, 14-17 lb.	86.37	77.04	73.34	60.30	65.01	67.42	68.28	72.68	70.96	78.08

	Annual			1980				1981		
	1978	1979	1980	I	II	III	IV	I	II	III
Cattle on feed (23-States):										
Number on feed (thou. head) ¹	12,811	12,681	11,713	11,713	10,203	9,635	9,965	11,105	9,768	9,570
Placed on feed (thou. head) ²	29,073	26,062	24,557	5,207	6,640	6,359	7,340	5,154	5,953	—
Marketings (thou. head)	26,645	24,600	23,183	6,145	5,634	5,731	5,677	5,999	5,591	—
Other disappearance (thou. head) ²	2,558	2,404	1,982	572	589	298	523	502	560	—
Hogs and pigs (14-States): ⁶										
Inventory (thou. head) ¹	48,308	51,370	57,130	57,130	54,805	54,840	55,160	54,780	50,105	51,205
Breeding (thou. head) ¹	7,324	8,102	8,055	8,055	8,085	7,853	7,442	7,679	7,219	7,105
Market (thou. head) ¹	40,984	43,268	49,075	49,075	46,720	40,987	47,738	47,083	42,886	44,100
Farrowings (thou. head)	10,602	12,317	11,861	2,740	3,356	2,838	2,927	2,434	3,023	3,075
Pig crop (thou. head)	75,595	87,393	85,915	19,650	24,600	20,382	21,283	17,609	23,202	—

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight. ⁴ 220-240 lb. Beginning in January 230-240 lb. ⁵ Prior to Oct. 1975, Chicago. ⁶ Quarters are Dec. preceding Year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). ⁷ Intentions. ⁸ Classes estimated.

Poultry and eggs:

	Annual			1980	1981					
	1978	1979	1980	June	Jan	Feb ^o	Mar	Apr	May	June
Eggs										
Farm production (mil.)	57,300	69,325	69,665	5,582	6,008	5,396	5,981	5,722	5,818	5,563
Average number of layers on farms (mil.)	282	289	287	280	293	291	287	284	282	279
Rate of lay (eggs per layer)	239	240	242	20.0	20.5	18.6	20.8	20.2	20.6	19.9
Cartoned Price, New York, grade A										
large (cts./doz.) ¹	61.7	68.2	66.9	59.0	75.6	71.3	71.0	73.4	66.8	67.1
Price of laying feed (\$/ton)	152	168	188	176	218	219	215	215	217	219
Egg-feed price ratio (lb.) ¹	6.9	6.9	6.0	5.5	5.9	5.7	5.7	6.0	5.2	5.2
Stocks, beginning of period:										
Shell (thou. cases)	39	38	38	47	31	22	19	32	32	25
Frozen (mil. lb.)	29.7	25.3	23.4	26.6	24.3	24.5	24.2	22.3	21.9	22.7
Replacement chicks hatched (mil.)	492	519	487	42.3	37.1	35.7	43.8	46.6	44.3	39.4
Broilers										
Federally inspected slaughter, certified (mil. lb.)	9,883	10,916	11,089	992.3	965.5	849.7	998.7	1,017.9	1,017.6	—
Wholesale price, 9-city, (cts./lb.)	44.5	44.4	46.8	43.3	49.5	50.3	48.2	44.4	46.3	49.3
Price of broiler grower feed (\$/ton)	169	189	207	190	237	238	229	234	235	234
Broiler-feed Price ratio (lb.) ²	3.1	2.8	2.7	2.6	2.5	2.6	2.6	2.3	2.4	2.5
Stocks, beginning of period (mil. lb.)	29.4	20.1	30.6	32.1	22.4	27.1	26.8	24.8	27.7	26.5
Average weekly placements of broiler chicks, 21 States (mil.)	70.9	76.8	77.9	82.0	79.4	81.9	85.6	86.7	85.5	84.7
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,983	2,182	2,303	204.2	140.0	118.6	134.0	149.8	178.3	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	66.7	68.1	63.6	55.5	59.4	60.7	63.8	61.2	63.5	66.2
Price of turkey grower feed (\$/ton)	182	202	223	208	257	255	254	254	255	256
Turkey-feed Price ratio (lb.) ²	4.6	4.1	3.5	3.1	3.1	3.1	3.2	3.0	3.1	3.2
Stocks, beginning of period (mil. lb.)	167.9	175.1	240.0	233.8	198.0	207.9	207.9	220.7	228.7	255.8
Poults hatched (mil.)	157.5	180.0	188.7	20.3	15.6	16.6	19.9	20.6	22.1	21.4

¹ Price of cartoned eggs to volume buyers for delivery to retailers. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Crops and Products

Feed grains:

	Marketing year ¹			1980	1981					
	1977/78	1978/79	1979/80	June	Jan	Feb	Mar	Apr	May	June
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	2.26	2.54	2.81	2.70	3.56	3.49	3.48	3.53	3.47	3.41
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	3.54	4.00	4.65	4.49	5.79	5.52	5.46	5.49	5.38	5.23
Barley, feed, Minneapolis (\$/bu.)	1.68	1.80	2.16	2.15	2.81	2.90	2.63	2.51	2.39	2.09
Barley, malting, Minneapolis (\$/bu.) ²	2.27	2.38	2.87	2.99	3.75	3.83	3.71	3.84	3.80	3.34
Exports:										
Corn (mil. bu.)	1,948	2,133	2,433	193	209	201	223	187	209	159
Feed grains (mil. metric tons) ³	56.3	60.2	71.7	5.7	6.2	6.1	6.4	5.3	6.0	4.6
	Marketing Year ¹			1979	1980				1981	
	1977/78	1978/79	1979/80	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May
Corn:										
Stocks, beginning (mil. bu.)	886	1,111	1,304	1,304	6,886	4,857	3,670	1,618	5,857	3,997
Domestic use:										
Feed (mil. bu.)	3,744	4,324	4,519	1,549	1,308	682	979	1,524	1,103	693
Food, seed, ind. (mil. bu.)	590	620	675	145	139	119	272	156	144	135
Feed grains:³										
Stocks, beginning (mil. metric tons)	29.9	41.4	46.2	55.5	206.2	144.1	107.9	60.3	172.9	117.6
Domestic use:										
Feed (mil. metric tons)	118.6	136.1	138.0	47.6	39.6	20.3	30.5	45.5	31.5	21.0
Food, seed, ind. (mil. metric tons)	20.0	20.0	22.0	4.8	4.3	4.3	8.8	5.1	4.9	4.7

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better, 65% or better, plump beginning October 1977. ³ Aggregated data for corn, sorghum, oats, and barley. p. Preliminary.

Fats and oils:

	Marketing Year ¹			1980						
	1977/78	1978/79	1979/80	June	Jan	Feb	Mar	Apr	May	June
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.) . . .	6.11	6.75	6.25	6.13	7.50	7.31	7.32	7.72	7.53	7.09
Crushings (mil. bu.)	927.7	1,017.8	1,123.0	82.7	92.2	79.6	88.7	85.4	82.3	73.8
Processing margin (\$/bu.) ²29	.36	.50	.16	.20	.15	.16	.17	.08	.12
Exports (mil. bu.)	723.4	753.0	875.0	58.7	71.7	55.5	103.2	60.0	69.6	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	23.8	27.4	24.3	21.7	22.9	22.0	23.1	23.4	21.6	21.3
Production (mil. lb.)	10,291.4	11,323.0	12,105.0	901.6	1,010.6	887.8	991.3	954.1	914.9	830.8
Domestic disappearance (mil. lb.)	8,192.4	894.2	898.1	617.0	729.7	684.3	740.2	758.2	753.0	—
Exports (mil. lb.)	2,137.1	2,334.0	2,690.0	203.2	118.7	126.5	211.0	90.7	114.8	—
Stocks, beginning (mil. lb.)	766.6	771.0	776.0	1,144.8	1,738.0	1,913.1	1,977.1	2,016.7	2,118.8	2,165.6
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton) . .	161.87	190.10	181.90	160.9	223.50	212.50	210.40	222.00	221.00	200.9
Production (thou. ton)	22,398.9	24,354.0	27,105.0	1,987.8	2,216.5	1,905.3	2,141.1	2,047.9	1,953.2	1,767.8
Domestic disappearance (thou. ton)	16,287.2	1,772.0	1,923.8	1,426.7	1,562.1	1,140.9	1,170.4	1,302.3	1,360.0	—
Exports (thou. ton)	7,542.7	6,610	7,908.0	558.0	6,606	7,598	9,422	8,003	526.4	—
Stocks, beginning (thou. ton)	228.3	243	267.0	299.0	250.0	244	248.1	271.4	211.7	288.6
Margarine, wholesale price, Chicago (cts./lb.) . . .	39.1	43.5	50.2	44.7	42.3	41.3	42.0	42.2	41.0	41.5

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. ² Spot basis, Illinois shipping points.

Fruit:

	Annual			1980						
	1978	1979	1980	June	Jan	Feb	Mar	Apr	May	June
Wholesale price indexes:										
Fresh fruit (1967=100)	217.6	230.4	237.3	224.0	203.3	211.6	217.0	221.3	227.7	209.4
Dried fruit (1967=100)	355.3	530.7	380.4	375.8	382.2	381.1	381.1	385.5	382.2	382.2
Canned fruit and juice (1967=100)	213.9	240.2	256.4	257.3	239.5	267.3	271.0	271.4	272.6	274.5
Frozen fruit and juice (1967=100)	232.0	248.5	244.3	243.2	228.8	268.5	294.9	317.2	317.2	317.2
F.o.b. shipping point prices										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	⁴ 14.90	8.50	8.70	⁴ 9.58	⁴ 9.09	⁴ 9.54	⁴ 10.16
Pears, Medford, Or. (\$/box) ²	n.a.	n.a.	n.a.	n.a.	9.69	10.26	⁴ 12.50	n.a.	n.a.	n.a.
Oranges, U.S. avg. (\$/box)	10.69	12.50	9.50	9.03	10.10	11.20	10.20	9.66	9.18	10.70
Grapefruit, U.S. avg. (\$/box)	6.72	8.00	8.50	9.08	8.66	10.10	9.86	10.30	10.90	12.30
Stocks, beginning:										
Fresh apples (mil. lb.)	³ 2,624.5	³ 2,789.6	³ 3,222.0	322.1	3,223.0	2,634.8	2,035.8	1,482.5	994.2	553.4
Fresh pears (mil. lb.)	³ 195.3	³ 157.6	³ 206.0	2.4	205.0	170.9	118.4	73.9	36.2	11.6
Frozen fruit (mil. lb.)	³ 517.9	³ 563.7	³ 578.0	341.2	579.7	553.6	499.0	451.0	404.8	374.2
Frozen fruit juices (mil. lb.)	³ 714.0	³ 734.3	³ 1,005.4	1,745.3	1,010.4	1,185.6	1,372.6	1,518.9	1,640.0	1,866.9

¹ Red Delicious, Washington extra fancy, carton tray pack. 80-125's. ² D'Anjou pears, Medford, or wrapped, U.S. No. 1, 90-135's. ³ Stocks as of January 1 of year listed. n.a. = not available. ⁴ C.A. storage.

Food grains:

	Marketing year ¹			1980						
	1977/78	1978/79	1979/80	June	Jan	Feb	Mar	Apr	May	June
Wholesale Prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ² . . .	2.72	3.38	4.25	4.07	4.60	4.47	4.35	4.48	4.36	4.24
Wheat, DNS, Minneapolis (\$/bu.) ²	2.66	3.17	4.16	4.19	4.65	4.53	4.32	4.41	4.44	4.29
Flour, Kansas City (\$/cwt.)	6.60	7.81	10.03	9.84	10.66	10.40	10.28	10.53	10.31	10.53
Flour, Minneapolis (\$/cwt.)	7.34	8.17	10.27	10.34	11.05	11.11	10.98	11.10	11.08	11.13
Rice, S.W. La. (\$/cwt.) ³	21.30	18.40	22.15	20.75	27.00	27.25	27.70	28.25	28.00	27.90
Wheat:										
Exports (mil. bu.)	1,124	1,194	1,375	101	134	131	136	136	84	—
Mill grind (mil. bu.)	616	622	630	48	58	51	55	53	52	—
Wheat flour production (mil. cwt.)	276	278	284	21	26	23	25	24	23	—
	Marketing year ¹			1980						
	1977/78	1978/79	1979/80	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May
Wheat:										
Stocks, beginning (mil. bu.)	1,113	1,178	924	2,271	1,716	1,225	902	2,472	1,904	1,329
Domestic use:										
Food (mil. bu.)	587	592	596	158	145	95	197	167	154	95
Feed and seed (mil. bu.) ⁴	272	245	187	9	63	35	85	30	20	23
Exports (mil. bu.)	1,124	1,194	1,375	388	283	193	518	371	401	220

¹ Beginning June, for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Cotton:

	Marketing year ¹			1980	1981					
	1977/78	1978/79	1979/80	June	Jan	Feb	Mar	Apr	May	June
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	52.7	61.6	71.5	72.4	85.1	83.3	81.5	81.2	78.5	78.1
Northern Europe prices:										
Index (cts./lb.) ³	70.6	76.1	85.6	84.1	99.5	95.9	91.7	88.7	87.5	87.1
U.S., SM 1-1/16 in. (cts./lb.) ⁴	66.0	76.3	87.5	85.4	105.4	102.9	100.3	99.1	96.4	94.6
U.S. mill consumption (thou. bales)	6,462.5	6,434.8	6,463.0	495.3	453.0	464.6	561.3	452.4	459.5	—
Exports (thou. bales)	5,484.1	6,180.2	9,228.9	721.3	703.9	723.2	771.5	524.0	482.6	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Coffee

	Annual			1980	1981					
	1978	1979	1980 p	June	Jan	Feb	Mar	Apr	May p	June p
Composite green price, N.Y. (cts./lb.)	155.15	169.50	157.78	179.24	127.51	122.82	124.70	124.24	122.33	107.69
Imports, green bean equivalent (mil. lb.) ¹	2,448	2,656	2,466	221	251	236	183	172	184	*137
	Annual			1979	1980					
	1978	1979	1980 p	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June
Roastings (mil. lb.) ²	2,156	2,249	2,255	564	568	532	511	644	627	*550

¹ Green and processed coffee. ² Instant soluble and roasted coffee. p Preliminary. *Forecast.

Vegetables:

	Annual			1980	1981					
	1978	1979	1980	June	Jan	Feb	Mar	Apr	May	June
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	5.20	4.54	6.32	7.06	11.99	13.40	12.34	12.44	11.35	13.06
Iceberg lettuce (\$/cwt.) ¹	5.10	5.10	4.25	2.70	3.90	3.74	4.63	3.64	5.52	4.36
Tomatoes (\$/cwt.) ²	6.65	7.86	7.57	9.10	12.49	14.74	15.06	11.98	5.53	6.26
Wholesale price index, 10 canned veg. (1967=100)	175	191	200	198	219	218	219	236	236	236
Grower price index, fresh commercial veg. (1967=100)	209	215	217	216	280	3.28	3.48	266	269	251

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar:

	Annual			1980	1981					
	1978	1979	1980	June	Jan	Feb	Mar	Apr	May	June
U.S. raw sugar price, N.Y. (cts./lb.) ¹	—	—	30.10	32.10	29.61	26.07	23.81	19.91	17.43	18.95
U.S. deliveries (thou. short tons) ^{2,3}	10,849	10,714	10,149	879	*697	*674	*823	*799	*814	*886

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. *Preliminary.

Tobacco:

	Annual			1980	1981					
	1978	1979	1980 ¹	June	Jan	Feb	Mar	Apr	May	June
Prices at auctions:										
Flue-cured (cts./lb.) ²	135.0	140.0	144.5	—	—	—	—	—	—	—
Burley (cts./lb.) ³	131.0	145.2	165.9	—	166.0	165.5	—	—	—	—
Domestic consumption ³										
Cigarettes (bil.)	614.3	614.0	620.6	53.7	53.0	49.5	54.2	53.7	50.7	n.a.
Large cigars (mil.)	4,701	4,298	3,994	364.2	255.6	268.2	352.2	297.3	337.5	n.a.

¹ Subject to revision. ² Crop year July-June for flue-cured, October-September for burley. ³ Taxable removals. n.a. = not available.

Supply and Utilization: Crops

Supply and Utilization: Domestic Measure¹

	Area		Yield	Production	Total Supply ²	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
Wheat:											
1976/77	80.4	70.9	30.3	2,149	2,817	74	680	950	1,704	1,113	2.73
1977/78	75.4	66.7	30.7	2,046	3,161	193	667	1,124	1,983	1,178	2.33
1978/79	66.0	56.5	31.4	1,776	2,956	159	679	1,194	2,032	924	2.97
1979/80	71.4	62.5	34.2	2,134	3,060	87	696	1,375	2,158	902	3.78
1980/81*	80.4	70.9	33.4	2,370	3,274	48	725	1,510	2,283	991	3.96
1981/82*	88.8	80.7	34.8	2,810	3,803	200	732	1,675	2,557	1,146	3.70-4.10
Rice:											
	Mil. acres		lb./acre				Mil. cwt. (rough equiv.)				c/lb.
1976/77	2.49	2.48	4,663	115.6	152.6	—	42.7	65.6	108.3	40.5	7.02
1977/78	2.26	2.25	4,412	99.2	139.8	—	37.7	72.8	110.5	27.4	9.49
1978/79	2.99	2.97	4,484	133.2	160.7	—	49.2	75.7	124.9	31.6	8.16
1979/80	2.89	2.87	4,599	131.9	163.6	—	48.9	82.5	131.4	25.7	10.50
1980/81*	3.36	3.30	4,403	145.1	171.0	—	55.9	91.2	147.1	20.9	12.00
1981/82*	3.84	3.81	—	171.3	192.3	—	58.2	88.8	147.0	41.8	8.75-11.25
Corn:											
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
1976/77	84.6	71.5	88.0	6,289	6,691	3,571	550	1,584	5,806	886	2.15
1977/78	84.3	71.6	90.8	6,505	7,394	3,745	590	1,948	6,283	1,111	2.02
1978/79	81.7	71.9	101.0	7,268	6,380	4,323	620	2,133	7,076	1,304	2.25
1979/80	81.4	72.4	109.7	7,939	9,244	4,519	675	2,433	7,627	1,617	2.52
1980/81*	84.1	73.1	91.0	6,648	8,266	4,150	750	2,500	7,400	866	3.15
1981/82*	84.7	74.2	95.9	7,116	7,983	3,950	825	2,500	7,275	708	3.00-3.50
Sorghum:											
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
1976/77	18.1	14.5	49.1	711	762	414	11	246	671	91	2.03
1977/78	16.6	13.8	56.6	781	872	456	11	214	681	191	1.82
1978/79	16.2	13.4	54.5	731	922	544	11	207	762	160	2.01
1979/80	15.3	12.9	62.7	809	969	484	13	325	822	147	2.34
1980/81*	15.9	12.7	46.2	588	735	390	11	250	651	84	3.00
1981/82*	16.1	14.0	—	798	882	450	11	265	726	156	2.85-3.35
Barley:											
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
1976/77	9.3	8.4	45.4	383	522	175	155	66	396	126	2.25
1977/78	10.8	9.7	44.0	428	564	178	156	57	391	173	1.78
1978/79	10.0	9.2	49.2	455	638	217	167	26	410	228	1.92
1979/80	8.1	7.5	50.9	383	623	204	172	55	431	192	2.29
1980/81*	8.3	7.2	49.6	359	561	175	172	77	424	137	2.91
1981/82*	9.7	9.0	53.3	478	625	180	175	60	415	210	2.45-2.90
Oats:											
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
1976/77	16.6	11.8	45.7	540	747	485	88	10	583	164	1.56
1977/78	17.7	13.5	55.8	753	919	509	85	12	606	313	1.10
1978/79	16.4	11.1	52.3	582	896	526	77	13	616	280	1.20
1979/80	14.0	9.7	54.4	527	808	492	76	4	672	236	1.36
1980/81*	13.4	8.6	53.0	458	695	432	74	13	519	176	1.82
1981/82*	13.6	9.8	54.1	528	705	425	75	10	510	195	1.60-1.85
Soybeans:											
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
1976/77	50.3	49.4	26.1	1,289	1,534	177	790	564	1,431	103	6.81
1977/78	59.0	57.8	30.6	1,767	1,870	182	927	700	1,709	161	6.88
1978/79	64.7	63.7	29.4	1,869	2,030	199	1,018	739	1,856	174	6.66
1979/80	71.6	70.6	32.1	2,268	2,442	185	1,123	875	2,083	359	6.28
1980/81*	70.1	67.9	26.8	1,817	2,176	191	1,040	750	1,881	295	7.55
1981/82*	—	—	—	2,005	2,300	190	1,080	825	1,995	305	6.50-8.50
Soybean oil:											
							Mil. lbs.				c/lb.
1976/77	—	—	—	8,578	9,829	—	7,511	1,547	9,058	771	24.0
1977/78	—	—	—	10,288	11,059	—	8,273	2,057	10,330	729	24.6
1978/79	—	—	—	11,323	12,052	—	8,942	2,334	11,276	776	27.4
1979/80	—	—	—	12,105	12,881	—	8,981	2,690	11,671	1,210	24.3
1980/81*	—	—	—	11,440	12,650	—	8,950	1,500	10,450	2,200	23.0
1981/82*	—	—	—	11,770	13,970	—	9,300	2,000	11,300	2,670	20.0-25.0
Soybean meal:											
							Thou. tons				\$/ton
1976/77	—	—	—	18,488	18,843	—	14,056	4,569	18,615	228	199.8
1977/78	—	—	—	22,371	22,599	—	16,276	6,080	22,356	243	164.2
1978/79	—	—	—	24,354	24,597	—	17,720	6,610	24,330	267	190.1
1979/80	—	—	—	27,105	27,372	—	19,238	7,908	27,146	226	181.9
1980/81*	—	—	—	24,909	25,135	—	17,525	7,350	24,875	260	220.0
1981/82*	—	—	—	25,700	25,960	—	18,350	7,350	25,700	260	200.0-240.0

See footnotes at end of table.

Supply and Utilization—Domestic Measure, Continued

	Area		Yield	Production	Total Supply ¹	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		lb/acre								c/lb
Cotton:											
1976/77	11.6	10.9	465	10.6	14.3	—	6.7	4.8	11.5	2.9	64.1
1977/78	13.7	13.3	520	14.4	17.3	—	6.5	5.5	12.0	5.3	52.3
1978/79	13.4	12.4	420	10.9	16.2	—	6.4	6.2	12.5	4.0	58.4
1979/80	14.0	12.8	547	14.6	18.6	—	6.5	9.2	15.7	3.0	63.4
1980/81*	14.5	13.2	404	11.1	14.2	—	5.8	6.0	11.8	2.5	—
1981/82*	14.2	—	—	13.8	16.2	—	6.1	6.7	12.8	3.6	—

Supply and Utilization—Metric Measure⁶

	Area		Metric tons/ha	Production	Total Supply ¹	Mil. metric tons		Exports	Total use	Ending stocks	\$/metric ton
	Mil. hectares	Harvested									
Wheat:											
1976/77	32.5	28.7	2.04	58.5	76.7	2.1	18.5	25.8	46.4	30.3	100
1977/78	30.5	27.0	2.06	55.6	86.0	5.2	18.1	30.6	53.9	32.1	86
1978/79	26.7	22.9	2.11	48.3	80.4	4.3	18.5	32.5	55.3	25.1	109
1979/80	28.9	25.3	2.30	58.1	83.3	2.4	18.9	37.4	58.7	24.6	139
1980/81*	32.5	28.7	2.25	64.5	89.1	1.3	19.7	41.1	62.1	27.0	146
1981/82*	35.9	32.7	2.34	76.5	103.5	5.4	19.9	47.0	72.3	31.2	136-151
Mil. metric tons (rough equiv.)											
Rice:											
1976/77	1.0	1.0	5.23	5.2	6.9	0.2	1.9	3.0	4.9	1.8	155
1977/78	.9	.9	4.95	4.5	6.3	0.1	1.7	3.3	5.0	1.2	209
1978/79	1.2	1.2	5.03	6.1	7.3	0.2	2.3	3.4	5.7	1.4	180
1979/80	1.2	1.2	5.15	6.0	7.4	0.3	2.2	3.7	5.9	1.2	231
1980/81*	1.4	1.3	4.94	6.6	7.8	0.1	2.6	4.1	6.7	1.0	265
1981/82*	1.6	1.5	—	7.8	8.7	0.1	2.7	4.0	6.7	1.9	193-248
Mil. metric tons											
Corn:											
1976/77	34.2	28.9	5.52	159.7	170.0	90.8	13.9	42.8	147.5	22.5	85
1977/78	34.1	29.0	5.70	165.2	187.8	95.1	15.0	49.5	159.6	28.2	80
1978/79	33.1	29.1	6.34	184.6	212.8	109.8	15.7	54.2	179.7	33.1	89
1979/80	32.9	29.3	6.89	201.7	234.8	114.8	17.1	61.8	193.7	41.1	99
1980/81*	34.0	29.6	5.71	168.9	210.0	105.4	19.1	63.5	188.0	22.0	124
1981/82*	34.2	30.0	6.02	180.7	202.8	100.3	21.0	63.5	184.8	18.0	118-138
Feed Grain:											
1976/77	52.1	43.0	4.51	194.0	211.5	112.1	18.9	50.6	181.6	29.9	—
1977/78	52.4	43.9	4.68	205.3	235.5	117.9	19.9	56.3	194.1	41.4	—
1978/79	50.3	42.7	5.19	221.5	263.2	135.9	20.9	60.2	217.0	46.2	—
1979/80	48.1	41.5	5.73	238.2	284.7	138.7	22.3	71.3	232.3	52.4	—
1980/81*	49.3	41.1	4.82	198.2	250.9	125.4	24.1	71.7	221.2	29.7	—
1981/82*	50.1	43.3	5.29	219.1	249.0	121.9	26.1	71.7	219.7	29.3	—
Soybeans:											
1976/77	20.4	20.0	1.76	36.1	41.7	42.1	21.5	15.3	38.9	2.8	250
1977/78	23.9	23.4	2.06	48.1	50.9	42.2	25.2	19.1	46.5	4.4	216
1978/79	26.2	25.8	1.98	50.9	55.3	42.8	27.7	20.1	50.6	4.7	245
1979/80	29.0	28.6	2.16	61.7	66.5	42.4	30.6	23.8	56.7	9.8	231
1980/81*	28.4	27.5	1.80	49.5	59.2	42.5	28.3	20.4	51.2	8.0	277
1981/82*	27.9	27.3	2.20	54.6	62.6	42.5	29.4	22.5	54.3	8.3	239-312
Soybean oil:											
1976/77	—	—	—	3.89	4.46	—	3.41	.70	4.11	.35	529
1977/78	—	—	—	4.67	5.02	—	3.75	.93	4.69	.33	542
1978/79	—	—	—	5.14	5.47	—	4.06	1.06	5.12	.35	604
1979/80	—	—	—	5.49	5.84	—	4.07	1.22	5.29	.55	536
1980/81*	—	—	—	5.19	5.74	—	4.06	.68	4.74	1.00	507
1981/82*	—	—	—	5.34	6.34	—	4.22	.91	5.13	1.21	441-551
Soybean meal:											
1976/77	—	—	—	16.77	17.09	—	12.75	4.14	16.89	.21	220
1977/78	—	—	—	20.29	20.50	—	14.77	5.52	20.28	.22	181
1978/79	—	—	—	22.09	22.31	—	16.08	6.00	22.07	.24	210
1979/80	—	—	—	24.59	24.83	—	17.45	7.17	24.62	.20	201
1980/81*	—	—	—	22.60	22.80	—	15.89	6.67	22.56	.24	243
1981/82*	—	—	—	23.32	23.56	—	16.65	6.67	23.32	.24	220-265
\$/kg											
Cotton:											
1976/77	4.7	4.4	.52	2.31	3.11	—	1.46	1.05	2.50	.63	1.41
1977/78	5.5	5.4	.58	3.14	3.77	—	1.42	1.20	2.61	1.15	1.15
1978/79	5.4	5.0	.47	2.36	3.53	—	1.39	1.35	2.72	.87	1.29
1979/80	5.7	5.2	.61	3.19	4.05	—	1.42	2.00	3.42	.65	1.40
1980/81*	5.9	5.4	.45	2.42	3.09	—	1.26	1.31	2.57	.54	—
1981/82*	5.8	—	—	3.00	3.55	—	1.33	1.46	2.79	.78	—

* July 13, 1981 Supply and Demand Estimates. ¹ Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soybean meal, and soybean oil. ² Includes imports. ³ Season average. ⁴ Includes seed. ⁵ Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. ⁶ Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ⁷ Statistical discrepancy.

General Economic Data

Gross national product and related data

	Annual			1979		1980				1981	
	1978	1979	1980 p	III	IV	I	II	III	IV	I	II p
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product ¹	2,156.1	2,413.9	2,626.1	2,444.1	2,496.3	2,571.7	2,564.8	2,637.3	2,730.6	2,853.0	2,881.0
Personal consumption expenditures	1,348.7	1,510.9	1,672.8	1,529.1	1,582.3	1,631.0	1,626.8	1,682.2	1,751.0	1,810.1	1,830.3
Durable goods	199.3	212.3	211.9	213.3	216.1	220.9	194.4	208.8	223.3	238.3	226.7
Nondurable goods	529.8	602.2	675.7	611.5	639.2	661.1	664.0	674.2	703.5	726.0	732.7
Clothing and shoes	91.9	98.9	104.8	100.3	102.5	102.2	102.3	105.3	109.4	113.4	115.1
Food and beverages	276.4	312.1	345.7	314.3	329.0	336.2	338.4	347.7	360.4	372.5	377.3
Services	619.6	696.3	785.2	704.3	727.0	749.0	768.4	799.2	824.2	845.8	870.9
Gross private domestic investment	375.3	415.8	395.3	421.7	410.0	415.6	390.9	377.1	397.7	437.1	453.8
Fixed investment	353.2	398.3	401.2	408.3	410.8	413.1	383.5	393.2	415.1	432.7	433.4
Nonresidential	242.0	279.7	296.0	288.5	290.2	297.8	289.8	294.0	302.1	315.9	322.0
Residential	111.2	118.6	105.3	119.8	120.6	115.2	93.6	99.2	113.0	116.7	111.4
Change in business inventories	22.2	17.5	-5.9	13.3	-8	2.5	7.4	-16.0	-17.4	4.5	20.4
Net exports of goods and services	-6	13.4	23.3	17.9	7.6	8.2	17.1	44.5	23.3	29.2	19.4
Exports	219.8	281.3	339.8	293.1	306.3	337.3	333.3	342.4	346.1	367.4	366.2
Imports	220.4	267.9	316.5	275.2	298.7	329.1	316.2	297.9	322.7	338.2	346.9
Government purchases of goods and services	432.6	473.8	534.7	475.4	496.4	516.8	530.0	533.5	558.6	576.5	577.6
Federal	153.4	167.9	198.9	165.1	178.1	190.0	198.7	194.9	212.0	221.6	219.5
State and local	279.2	305.9	335.8	310.4	318.3	326.8	331.3	338.6	346.6	354.9	358.1
1972 \$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,436.9	1,483.0	1,480.7	1,488.2	1,490.6	1,501.9	1,463.3	1,471.9	1,485.6	1,516.4	1,509.1
Personal consumption expenditures	904.8	930.9	935.1	933.4	941.6	943.4	919.3	930.8	946.8	960.2	955.6
Durable goods	146.3	146.6	135.8	146.7	146.0	145.4	126.2	132.6	139.1	146.8	137.3
Nondurable goods	345.7	354.6	358.4	355.4	361.3	361.5	356.6	354.9	360.4	364.5	365.9
Clothing and shoes	73.3	76.6	78.0	77.4	78.4	76.9	76.7	78.3	80.1	82.8	83.4
Food and beverages	172.5	176.7	181.5	177.4	181.3	183.6	182.2	180.1	179.9	182.9	184.9
Services	412.8	429.6	440.9	431.3	434.3	436.5	436.5	443.3	447.3	448.9	452.4
Gross private domestic investment	229.7	232.6	203.6	232.6	221.5	218.3	200.5	195.3	200.5	211.6	217.4
Fixed investment	215.8	222.5	206.6	225.0	222.2	219.2	199.2	200.2	207.6	213.1	207.7
Nonresidential	153.4	163.3	158.4	166.4	164.1	165.0	156.1	155.5	157.0	162.0	159.5
Residential	62.4	59.1	48.1	58.6	58.1	54.2	43.1	44.7	50.6	51.0	48.2
Change in business inventories	14.0	10.2	-2.9	7.6	-7	-9	1.3	-5.0	-7.2	-1.4	9.7
Net exports of goods and services	24.6	37.7	52.0	41.1	42.2	50.1	51.7	57.6	48.5	50.9	46.0
Exports	127.5	146.9	161.1	151.3	154.8	165.9	160.5	160.5	157.4	162.5	160.3
Imports	103.0	109.2	109.1	110.2	112.6	115.8	108.9	102.8	108.9	111.6	114.3
Government purchases of goods and services	277.8	281.8	290.0	281.1	285.3	290.1	291.9	288.2	289.8	293.6	290.1
Federal	99.8	101.7	108.1	99.9	103.1	107.6	110.7	106.9	107.4	111.2	109.3
State and local	178.0	180.1	181.9	181.2	182.2	182.5	181.2	181.3	182.4	182.5	180.8
New plant and equipment expenditures (\$bil.)	231.24	270.46	295.63	273.15	284.30	291.89	294.36	296.23	299.58	312.24	311.87
Implicit price deflator for GNP (1972=100)	150.05	162.77	177.36	164.23	167.47	171.23	175.28	179.18	183.81	188.14	190.91
Disposable income (\$bil.)	1,462.9	1,641.7	1,821.7	1,663.8	1,710.1	1,765.1	1,784.1	1,840.6	1,897.0	1,947.8	1,985.4
Disposable income (1972 \$bil.)	981.5	1,011.5	1,018.4	1,015.7	1,017.7	1,021.0	1,008.2	1,018.5	1,025.8	1,033.3	1,036.6
Per capita disposable income (\$)	6,571	7,293	8,002	7,381	7,563	7,785	7,848	8,074	8,299	8,504	8,650
Per capita disposable income (1972 \$)	4,409	4,493	4,473	4,506	4,501	4,503	4,435	4,468	4,488	4,511	4,516
U.S. population, tot. incl. military abroad (mil.)*	222.6	225.1	227.7	225.4	225.9	226.7	227.3	228.0	228.6	229.1	229.6
Civilian population (mil.)*	220.5	223.0	225.6	223.3	224.0	224.6	225.2	225.9	226.5	226.9	227.4

See footnotes at end of next table.

Selected monthly indicators

	Annual			1980		1981				
	1978	1979	1980 p	June	Jan	Feb	Mar	Apr	May	June p
Monthly data seasonally adjusted except as noted										
Industrial production, total ¹ (1967=100)	146.1	152.5	147.1	141.5	151.7	151.5	152.2	152.2	152.8	152.7
Manufacturing (1967=100)	146.8	153.6	146.6	140.3	151.1	151.0	151.7	152.3	152.9	152.2
Durable (1967=100)	139.7	146.4	136.6	129.9	141.4	140.7	142.2	142.6	143.6	142.7
Nondurable (1967=100)	156.9	164.0	161.1	155.3	165.2	166.1	165.5	166.2	166.4	165.9
Leading economic indicators ¹ (1967=100)	141.8	140.1	131.7	124.4	135.3	135.2	136.7	137.6	135.5	133.8
Employment ² (Mil. Persons)	94.4	96.9	97.3	96.8	97.7	97.9	98.4	99.0	99.2	98.4
Unemployment rate ³ (%)	6.0	6.8	7.1	7.5	7.4	7.3	7.3	7.3	7.6	7.3
Personal income ⁴ (\$bil. annual rate)	1,721.8	1,943.8	2,160.2	2,127.1	2,300.7	2,318.2	2,340.4	2,353.7	2,367.6	2,382.1
Hourly earnings in manufacturing ⁵ (\$)	6.17	6.69	7.27	7.20	7.73	7.74	7.80	7.88	7.92	7.96
Money stock (daily average) ⁶ (\$bil.)	7364.2	7390.5	7415.6	394.9	419.2	421.2	425.8	433.7	431.5	428.8
Time and savings deposits (daily average) (\$bil.)	71,202.8	71,288.9	71,406.6	1,332.0	1,420.6	1,428.0	1,428.7	1,426.5	1,437.0	1,448.7
Three-month Treasury bill rate ⁷ (%)	7.221	10.041	11.506	6.995	14.724	14.905	13.478	13.635	16.295	14.557
Aaa corporate bond yield (Moody's) ⁸ (%)	8.73	9.63	11.94	10.58	12.81	13.35	13.33	13.88	14.32	13.75
Interest rate on new home mortgages ⁹ (%)	9.54	10.77	12.65	12.66	13.26	13.54	14.02	14.15	14.15	14.40
Housing starts, private (including farm) (thou.)	2,020.3	1,745.1	1,292.0	1,184	1,660	1,215	1,297	1,332	1,159	1,032
Auto sales at retail, total ¹ (mil.)	11.3	10.6	9.0	7.4	9.7	10.5	10.4	8.0	7.9	7.5
Business sales, total ¹ (\$bil.)	256.5	291.8	316.6	298.0	345.6	346.4	346.6	345.7	344.2 p	—
Business inventories, total ¹ (\$bil.)	383.5	430.9	461.7	450.2	465.1	470.8	472.4	474.6	477.8 p	—
Sales of all retail stores (\$bil.) ¹⁰	66.9	74.3	79.5	77.8	85.5	86.8	87.6	85.9	85.3 p	86.4
Durable goods stores (\$bil.)	23.2	25.3	24.8	23.6	27.1	28.3	28.4	26.4	26.6 p	26.9
Nondurable goods stores (\$bil.)	43.6	49.1	54.7	54.3	58.4	58.5	59.2	59.5	58.8 p	59.5
Food stores (\$bil.)	14.5	16.3	18.1	18.0	19.1	19.1	19.5	19.7	19.4 p	19.8
Eating and drinking places (\$bil.)	5.9	6.6	7.2	7.1	7.9	7.9	8.0	7.8	7.9 p	8.0
Apparel and accessory stores (\$bil.)	3.3	3.5	3.7	3.7	3.9	4.0	3.9	3.9	3.9 p	3.9

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ MI-B. ⁴ Composite Index of 12 leading indicators. ⁵ Department of Labor, Bureau of Labor Statistics. ⁶ Not seasonally adjusted. ⁷ December of the year listed. ⁸ Moody's Investors Service. ⁹ Federal Home Loan Board. ¹⁰ Adjusted for seasonal variations, holidays, and trading day differences. p Preliminary. * Data revised to reflect the results of the 1980 census count.

U.S. Agricultural Trade

U. S. agricultural exports

	October-May				May			
	1979/80	1980/81	1979/80	1980/81	1980	1981	1980	1981
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excluding poultry.	—	—	96,379	114,649	—	—	6,463	9,898
Meat and preps., excluding poultry (mt).	274	304	589,728	712,526	35	40	72,797	92,677
Dairy products, excluding eggs	—	—	99,024	140,228	—	—	13,745	24,712
Poultry and poultry products	—	—	338,339	513,725	—	—	50,525	83,104
Grains and preparations	—	—	11,182,992	14,244,982	—	—	1,194,624	1,558,712
Wheat and wheat flour (mt)	23,077	26,515	4,142,331	5,108,643	2,461	2,219	430,447	419,420
Rice, milled (mt)	1,403	1,167	582,892	600,643	237	206	101,882	111,405
Feed grains, excluding products (mt).	48,281	50,365	6,067,154	7,760,534	5,047	5,931	624,223	918,430
Other.	—	—	390,615	775,162	—	—	38,072	109,457
Fruits, nuts, and preparations	—	—	1,433,347	1,448,866	—	—	150,374	151,135
Vegetables and preparations	—	—	648,806	1,082,388	—	—	85,984	118,842
Sugar & preps., including honey.	—	—	133,297	472,004	—	—	25,626	47,895
Coffee, tea, cocoa, spices, etc. (mt).	34	36	111,779	163,676	6	5 ¹	15,932	18,786
Feeds and fodders	—	—	1,941,003	2,065,999	—	—	256,596	206,003
Protein meal (mt).	5,580	5,159	1,253,019	1,326,334	728	505	151,706	128,176
Beverages excl. distilled alcohol (Lit).	46,224	84,159	19,680	41,797	11,450	7,914	4,828	4,755
Tobacco, unmanufactured (mt).	216	185	1,031,823	956,874	24	21	109,542	115,370
Hides, skins, and furskins	—	—	887,792	758,112	—	—	81,002	79,550
Oilseeds	—	—	5,095,294	5,063,157	—	—	543,720	612,456
Soybeans (mt).	18,204	15,506	4,671,374	4,728,141	2,019	1,895	489,236	562,242
Wool, unmanufactured (mt).	2	2	22,738	21,031	(¹)	1	4,010	4,089
Cotton, unmanufactured (mt).	1,566	1,015	2,287,308	1,823,585	215	111	313,176	192,279
Fats, oils, and greases (mt).	1,035	1,055	539,168	519,156	129	146	63,836	68,042
Vegetable oils and waxes (mt).	1,322	1,047	891,342	723,105	231	135	141,488	94,346
Rubber and allied gums (mt)	12	9	15,673	17,134	2	2	2,242	2,925
Other	—	—	598,876	743,349	—	—	66,695	81,075
Total	—	—	27,964,388	31,626,343	—	—	3,203,205	3,566,651

¹ Less than 500.

U.S. agricultural exports by regions

Region ¹	October-May		May		Change from year earlier	
	1979/80	1980/81	1980	1981	October-May	May
	\$ Mil.				PCT	
Western Europe	8,779	8,325	979	1,004	-5	+3
European Community (EC-9)	6,643	6,327	751	770	-5	+1
Other Western Europe	2,136	1,998	218	234	-6	+7
Greece	176	158	20	13	-11	-35
Portugal	424	517	69	59	+22	-14
Spain	976	809	67	116	-17	+73
Eastern Europe	1,747	1,573	172	129	-10	-26
German Dem. Rep.	422	310	35	24	-27	-31
Poland	528	547	34	16	+4	-53
Romania	291	348	53	47	+20	-11
U.S.S.R.	1,407	1,333	7	2	-5	-71
Asia	9,372	11,345	1,089	1,281	+21	+18
West Asia	938	1,141	117	141	+22	+21
Iran	52	78	8	13	+50	+63
Iraq	213	101	35	12	-53	-66
Israel	211	250	13	29	+18	+123
Saudi Arabia	230	333	26	39	+45	+60
South Asia	520	229	89	40	-56	-55
India	310	119	50	12	-62	-76
Pakistan	55	68	1	15	+24	-
East and Southeast Asia	7,913	9,975	883	1,100	+26	+25
China, Mainland	1,195	1,611	151	67	+36	-56
Hong Kong	312	271	48	33	-13	-31
Indonesia	282	266	19	39	-6	+105
Japan	3,818	4,887	355	542	+28	+53
Korea	1,075	1,574	159	219	+46	+38
Philippines	199	233	30	29	+17	-3
Taiwan	760	804	94	123	+6	+31
Africa	1,457	1,801	185	257	+24	+39
North Africa	845	958	98	139	+13	+42
Algeria	158	190	20	19	+20	-5
Egypt	521	644	65	110	+24	+69
Other Africa	612	843	87	118	+38	+36
Nigeria	237	299	25	43	+26	+72
Latin America and Caribbean	3,423	5,016	491	581	+47	+18
Brazil	533	616	46	41	+16	-11
Caribbean	480	542	74	82	+13	+11
Central America	240	253	47	34	+5	-28
Chile	151	245	20	19	+62	-5
Mexico	1,125	2,104	184	240	+87	+30
Peru	148	336	26	47	+127	+88
Venezuela	382	627	47	81	+64	+72
Canada, excl. transshipments	1,127	1,382	158	175	+23	+11
Canadian transshipments	521	707	110	120	+36	+9
Oceania	131	144	13	17	+10	+31
Total	27,964	31,626	3,203	3,567	+13	+11

¹ Not adjusted for transshipments.

Prices of principal U.S. agricultural trade products

	Annual			1980		1981				
	1978	1979	1980	June	Jan	Feb	Mar	Apr	May	June
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	3.56	4.45	4.78	4.32	5.20	5.01	4.79	4.93	4.77	4.63
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.66	3.01	3.28	2.91	3.94	3.69	3.66	3.71	3.63	3.52
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.48	2.85	3.38	3.01	3.89	3.65	3.61	3.61	3.49	3.24
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.04	7.59	7.39	6.35	8.12	7.74	7.74	8.07	7.92	7.44
Soybean oil, Decatur (cts./lb.)	25.79	27.59	23.63	21.65	22.41	21.55	23.00	23.18	21.14	21.27
Soybean meal, Decatur (\$/ton)	170.71	191.08	196.47	161.52	219.81	211.08	207.57	221.38	222.50	200.32
Cotton, 10 market avg. spot (cts./lb.)	58.31	61.81	81.13	72.41	85.11	83.30	81.52	81.15	78.46	77.93
Tobacco, avg. price of auction (cts./lb.)	121.88	132.15	142.29	139.15	149.40	149.40	149.16	149.50	149.96	149.96
Rice, f.o.b. mill, Houston (\$/cwt.)	20.61	20.25	21.89	21.00	26.55	25.75	27.10	27.75	27.99	27.40
Inedible tallow, Chicago (cts./lb.)	19.74	23.45	18.52	16.62	15.81	15.83	15.95	16.46	16.55	—
Import commodities:										
Coffee, N.Y. spot (\$/lb.)	1.86	1.74	1.64	1.82	1.25	1.23	1.24	1.25	1.26	1.17
Sugar, N.Y. spot (cts./lb.)	13.92	15.61	30.10	32.09	29.57	26.07	23.81	20.00	17.43	19.00
Cow meat, f.o.b. port of entry (cts./lb.)	97.17	130.98	125.18	113.89	121.73	116.75	113.30	114.80	112.95	110.48
Rubber, N.Y. spot (cts./lb.)	50.19	64.57	73.80	67.94	70.38	68.24	65.52	60.40	59.08	58.46
Cocoa beans, N.Y. (\$/lb.)	1.53	1.44	1.14	1.09	.92	.89	.93	.92	.83	—
Bananas, f.o.b. port of entry (\$/40-lb. box)	5.20	5.91	6.89	6.21	7.03	7.90	8.33	7.72	8.16	7.04

n.a. = not available.

U.S. agricultural imports

	October-May				May			
	1979/80	1980/81	1979/80	1980/81	1980	1981	1980	1981
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Live animals, excluding poultry	—	—	346,988	259,215	—	—	23,769	24,044
Meat and preparations, excl. poultry (mt)	610	604	1,570,500	1,533,763	79	64	188,546	147,393
Beef and veal (mt)	471	448	1,224,724	1,125,213	61	44	147,753	100,161
Pork (mt)	119	133	298,376	350,233	14	17	31,933	37,930
Dairy products, excluding eggs	—	—	301,632	358,910	—	—	35,531	32,181
Poultry and poultry products	—	—	43,725	63,161	—	—	8,054	6,864
Grains and preparations	—	—	179,847	209,499	—	—	25,365	27,058
Wheat and flour (mt)	1	3	299	1,533	(¹)	41	44	318
Rice (mt)	1	4	1,014	2,217	(¹)	41	73	631
Feed grains (mt)	134	100	20,821	19,599	29	17	4,809	3,185
Other	—	—	157,513	186,150	—	—	20,439	23,024
Fruits, nuts, and preparations	—	—	831,087	960,318	—	—	119,391	143,617
Bananas, fresh (mt)	1,537	1,623	266,837	325,976	184	199	33,057	43,426
Vegetables and preparations	—	—	630,262	626,351	—	—	60,698	101,015
Sugar and preparations, incl. honey	—	—	1,027,909	1,765,134	—	—	143,282	224,961
Sugar, cane or beet (mt)	2,597	2,480	880,832	1,601,614	275	361	124,429	197,220
Coffee, tea, cocoa, spices, etc. (mt)	1,143	1,165	4,093,675	3,201,908	142	142	487,719	367,107
Coffee, green (mt)	766	728	2,925,474	2,139,150	94	81	342,196	232,006
Cocoa beans (mt)	92	159	282,459	320,126	16	28	45,544	51,321
Feeds and fodders	—	—	58,222	71,938	—	—	6,736	9,891
Protein meal (mt)	25	21	4,047	4,614	2	6	256	1,037
Beverages, incl. distilled alcohol (hl)	5,876	6,389	668,751	751,194	780	908	88,347	103,000
Tobacco, unmanufactured (mt)	116	111	279,480	248,470	12	14	28,468	28,287
Hides, skins, and furskins	—	—	166,340	197,392	—	—	20,658	21,494
Oilseeds	—	—	37,228	305,038	—	—	3,712	100,556
Soybeans (mt)	1	10	182	3,284	(¹)	1	41	421
Wool, unmanufactured (mt)	21	31	71,412	109,495	3	5	12,215	19,435
Cotton, unmanufactured (mt)	15	11	5,720	8,639	3	1	944	197
Fats, oils, and greases (mt)	6	7	5,234	5,885	1	1	671	861
Vegetable oils and waxes (mt)	470	601	425,264	378,961	34	65	32,217	40,253
Rubber and allied gums (mt)	453	425	592,449	535,916	57	53	81,481	66,627
Other	—	—	487,652	527,801	—	—	69,189	63,822
Total	—	—	11,823,177	12,118,978	—	—	1,436,993	1,528,663

¹ Less than 500,000. Note: 1 metric ton (mt) = 2,204.622 lb.; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

Trade balance

	October-May		May	
	1979/80	1980/81	1980	1981
	\$ Mil.			
Agricultural exports ¹	27,964	31,626	3,203	3,567
Nonagricultural exports ²	111,825	123,670	16,412	14,825
Total exports ³	139,790	155,296	19,616	18,392
Agricultural imports ³	11,823	12,119	1,437	1,529
Nonagricultural imports ⁴	150,121	159,002	19,405	19,905
Total imports	161,944	171,121	20,842	21,434
Agricultural trade balance	16,141	19,507	1,766	2,038
Nonagricultural trade balance	-38,296	-35,332	-2,993	-5,080
Total trade balance	-22,154	-15,825	-1,226	-3,042

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Domestic and foreign exports including Department of Defense shipments (F.A.S. value). ³ Imports for consumption (Customs value). ⁴ General imports (Customs value).

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1981						
	1978	1979	1980	June	Jan	Feb	Mar	Apr	May	June
Rail freight rate index ¹										
All products (1969=100)	213.0	243.4	285.4	282.2	313.9	317.7	321.4	321.0	321.0	324.3
Farm products (1969=100)	204.9	235.0	271.8	266.4	294.4	300.7	305.2	304.6	304.6	306.8
Grain (Dec. 1978=100)	n.a.	106.9	127.5	124.4	139.8	142.9	144.5	144.0	144.0	145.5
Food products (1969=100)	210.0	239.5	283.7	278.9	315.7	319.7	323.3	323.1	323.1	326.1
Rail carloadings of grain (thou. cars) ²	25.8	27.5	30.1	28.0	34.4	31.1	36.3	23.5	21.3	28.3
Barge shipments of grain (mil. bu.) ³	31.3	31.2	36.7	42.7	35.3	23.5	30.2	36.3	39.4	37.4
Fresh fruit and vegetable shipments										
Rail (thou. cwt.) ^{4,5}	915	806	1,218	128.5	833	811	800	712	873	115.3
Truck (thou. cwt.) ^{4,5}	7,322	7,558	7,594	9,709	7,518	6,802	6,806	7,873	9,717	9,873

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1980. ⁵ Typical truck loads are about 40,000 pounds and average railcar loads in 1975 were about 60,000 pounds.

World Agricultural Production

World supply and utilization of major crops

	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82 ¹
	Mil. units							
Wheat:								
Area (hectare)	219.8	224.8	232.5	226.4	228.3	227.6	235.7	239.5
Production (metric ton)	357.3	350.6	421.2	383.8	446.6	422.2	438.7	465.1
Exports (metric ton) ²	63.9	66.7	63.1	73.0	72.0	86.4	93.0	100.0
Consumption (metric ton) ³	363.8	351.7	385.2	398.5	430.0	443.8	445.2	450.7
Ending stocks (metric ton) ⁴	63.9	62.8	98.8	84.0	100.8	79.2	72.7	87.2
Coarse grains:								
Area (hectare)	342.8	350.2	344.6	345.0	342.6	340.5	341.6	346.6
Production (metric ton)	628.5	645.3	704.4	700.9	753.6	739.7	726.6	760.3
Exports (metric ton) ²	63.4	76.4	82.5	84.0	90.3	100.8	104.4	109.0
Consumption (metric ton) ³	634.7	645.9	685.4	692.4	747.2	741.2	745.2	757.9
Ending stocks (metric ton) ⁴	57.3	56.7	75.6	84.1	90.7	89.1	70.5	72.9
Rice, milled:								
Area (hectare)	137.8	142.8	141.6	142.9	142.5	141.0	143.7	144.0
Production (metric ton)	227.3	243.1	236.2	248.9	259.2	252.9	265.8	272.7
Exports (metric ton) ²	7.8	9.0	10.5	9.5	11.7	12.5	13.4	12.7
Consumption (metric ton) ³	228.9	235.5	237.5	243.1	254.7	257.8	266.4	273.1
Ending stocks (metric ton) ⁴	11.3	18.9	17.6	23.6	28.1	23.2	22.6	22.3
Total grains:								
Area (hectare)	700.4	717.8	718.7	714.3	713.4	709.1	721.0	730.1
Production (metric ton)	1,213.1	1,239.0	1,361.8	1,333.6	1,459.4	1,414.8	1,431.1	1,498.1
Exports (metric ton) ²	135.1	152.1	156.1	166.5	174.0	199.7	210.8	221.7
Consumption (metric ton) ³	1,227.4	1,233.1	1,308.1	1,334.0	1,431.9	1,442.8	1,456.8	1,481.7
Ending stocks (metric ton) ⁴	132.5	138.4	192.0	191.7	219.6	191.5	165.8	182.4
Oilseeds and meals:^{5, 6}								
Production (metric ton)	65.1	73.3	66.7	78.6	83.4	95.8	86.8	93.2 ± 4.5
Trade (metric ton)	27.7	33.8	33.9	38.8	40.6	46.2	44.1	46.0 ± 2.1
Fats and Oil:⁶								
Production (metric ton)	46.2	49.3	47.4	52.3	54.3	58.4	56.6	58.8 ± 1.6
Trade (metric ton)	14.0	16.1	16.9	18.3	19.3	20.8	20.0	20.8 ± 1.0
Cotton:								
Area (hectare)	33.4	29.8	30.7	32.8	32.4	32.1	32.6	33.1
Production (bale)	64.5	54.0	56.7	64.1	60.2	65.6	65.5	68.6
Exports (bale)	17.5	19.1	17.6	19.1	19.8	22.6	20.2	20.5
Consumption (bale)	58.7	61.1	60.6	60.2	63.0	65.7	66.0	67.6
Ending stocks (bale)	30.9	24.0	20.4	24.8	22.0	22.2	21.3	22.2

¹ Forecast. ² Excludes intra-EC trade. ³ Where stocks data not available (excluding USSR), consumption includes stock changes. ⁴ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; Includes estimated change in USSR grain stocks but not absolute level. ⁵ Soybean meal equivalent. ⁶ Calendar year data. 1975 data corresponds with 1974/75. 1976 data with 1975/76, etc.

Order Now!

Agricultural Outlook Subscription Order Form

Enclosed is \$ _____ ☐ check,
☐ money order, or charge to my
 Deposit Account No. _____

[illegible]

Order No. _____

Mail to:
Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

For Office Use Only	
Quantity	Charges
_____	Enclosed _____
_____	To be mailed _____
_____	Subscriptions _____
Postage _____	
Foreign handling _____	
MMOB _____	
OPNA _____	

_____	UPNS _____
_____	Discount _____
_____	Refund _____

Credit Card Orders Only



Total charges \$_____ Fill in the boxes below.

Credit Card No.

Expiration Date
Month/Year

Please enter my subscription to Agricultural Outlook (ARGO) for one year at \$27.00 Domestic; \$33.75 Foreign

Name—First, Last																			
Company name or additional address line																			
Street address																			
City										State					ZIP Code				
(or Country)																			

PLEASE PRINT OR TYPE

Make checks payable to: Superintendent of Documents.

Sound Off!

The editors of *Agricultural Outlook* are dedicated to the continuing improvement of this magazine, and always appreciate reader suggestions on ways to make the AO more useful and timely. If you would like to comment on any aspect of the publication—the charts, articles, or tables—send your suggestions to:

Larry Van Meir
Room 276, GHI Bldg.
USDA, ERS, NED
500 12th St., S.W.
Washington, D.C. 20250

Blank lined paper.

United States Department of Agriculture
Washington, D.C. 20250
Official Business
Penalty for Private Use, \$300

Postage and Fees Paid
U.S. Department of
Agriculture
AGR 101



First Class